

COPY

-Application

TriStar Skyline

Med. Ctr.

CN1504-014

April 14, 2015

Melanie Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application Submittal--TriStar Skyline Medical Center
Bed Transfer from Satellite to Main Campus Within Same County
Nashville, Davidson County

Dear Mrs. Hill:

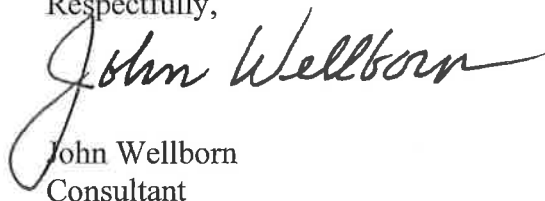
This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

The applicant is requesting non-substantive review for this application.

The request is based on the fact that this project simply transfers existing bed licenses between the applicant's satellite and main campus facilities, within the same county (Davidson). A relocation of only 10 beds is involved, within a county containing more than 3,700 total hospital beds. And, the project does not alter the applicant's total number of licensed medical-surgical beds, or the applicant's total number of rehabilitation beds.

I am the contact person for this project. Jerry Taylor is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,


John Wellborn
Consultant

**TRISTAR
SKYLINE MEDICAL CENTER
CERTIFICATE OF NEED APPLICATION
TO TRANSFER
TEN MEDICAL-SURGICAL BEDS
FROM ITS MADISON SATELLITE CAMPUS
TO ITS MAIN CAMPUS
WITHIN DAVIDSON COUNTY**

Submitted April 2015

PART A

1. Name of Facility, Agency, or Institution

Skyline Medical Center		
<i>Name</i>		
3441 Dickerson Pike	Davidson	
<i>Street or Route</i>	<i>County</i>	
Nashville	TN	37207
<i>City</i>	<i>State</i>	<i>Zip Code</i>

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
<i>Name</i>		<i>Title</i>	
Development Support Group		jwdsg@comcast.net	
<i>Company Name</i>		<i>E-Mail Address</i>	
4219 Hillsboro Road, Suite 210	Nashville	TN	37215
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
CON Consultant	615-665-2022	615-665-2042	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

3. Owner of the Facility, Agency, or Institution

HTI Memorial Hospital Corporation	615-769-7100
<i>Name</i>	<i>Phone Number</i>
Same as in #1 above	
<i>Street or Route</i>	<i>County</i>
Same as in #1 above	
<i>City</i>	<i>State</i> <i>Zip Code</i>

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)	x	I. Other (Specify):	
E. Corporation (Not-for-Profit)			

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS**

5. Name of Management/Operating Entity (If Applicable) **NA**

<i>Name</i>		
<i>Street or Route</i>		<i>County</i>
<i>City</i>	<i>State</i>	<i>Zip Code</i>

6. Legal Interest in the Site of the Institution (Check One)

A. Ownership	x	D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of Years			

7. Type of Institution (Check as appropriate—more than one may apply)

A. Hospital (Specify): General	x	I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency		L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	
G. Mental Health Residential Facility		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify):	

8. Purpose of Review (Check as appropriate—more than one may apply)

A. New Institution		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, Designation, Distribution, Conversion, Relocation	x
B. Replacement/Existing Facility		H. Change of Location	
C. Modification/Existing Facility	x	I. Other (Specify):	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify)			
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9a. Bed Complement Data Skyline Medical Center--Main Campus Only
(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical	103		102	+10	113
B. Surgical	34		34		34
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU	45		45		45
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation	41		4		41
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL CAMPUS	223		222	+10	233

*- 4 m/s bed spaces being moved to ICU; +3 m/s beds being added on 4th-5th floors.

**+5 ICU beds + 6 neuro ICU beds being added in adjoining spaces on 2nd floor.

10. Medicare Provider Number: Acute - 44-0006,
Rehab 44-T006, Psych – 44-S006

11. Medicaid Provider Number: 044-0006

12. & 13. See page 4

9b. Bed Complement Data Skyline Medical Center Madison Campus Only
(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical	37		0	-10	27
B. Surgical					
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU	4		0		4
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric	66		66		66
I. Geriatric Psychiatric	20		20		20
J. Child/Adolesc. Psych.	21		21		21
K. Rehabilitation					
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency	14		14		14
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL CAMPUS	162		121	-10	152

9c. Bed Complement Data **Combined Main and Madison Campuses**
(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical	140		102		140
B. Surgical	34		34		34
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU	49		45		49
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric	66		66		66
I. Geriatric Psychiatric	20		20		20
J. Child/Adolesc. Psych.	21		21		21
K. Rehabilitation	41		41		41
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency	14		14		14
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL HOSPITAL	385		343		385

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

This is an existing facility already certified for both programs. In CY2014, Skyline Medical Center had an overall payor mix of 51% Medicare and 14% TennCare/Medicaid.

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? Yes IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

Skyline Medical Center is fully contracted with all available TennCare MCO's in the Middle Tennessee Region. Those MCO's are shown in Table One below.

Table One: Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	Applicant's Relationship
AmeriGroup	contracted
United Healthcare Community Plan	contracted
Bluecare	contracted
TennCare Select	contracted

SECTION B: PROJECT DESCRIPTION

B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

- TriStar Skyline Medical Center is a two-campus community hospital in Davidson County, with a consolidated acute care bed license of 385 beds. Its main campus, located beside I-65 in the north sector of Davidson County, has 223 beds. Its satellite behavioral health campus in the Madison area of Davidson County operates 162 beds.
- TriStar Skyline's medical-surgical beds are very highly utilized, especially during midweek. Its satellite campus has a small number of unstaffed medical-surgical beds, which are vacant because the campus is being converted to a behavioral medicine facility (psychiatric and substance abuse programs only).
- In this project, TriStar Skyline proposes to transfer 10 of the satellite's unused medical-surgical beds to the main campus, where they are needed now that Skyline has been designated as a Trauma Center--one of only two Trauma Centers in Davidson County. Skyline's 385-bed consolidated hospital license will not increase; its main campus will increase to 233 total beds while its satellite campus will decrease to 152 total beds. The 10 transferred beds will be put into second-floor private rooms now assigned to rehabilitation use. The 10 displaced rehabilitation beds from that area will be put into renovated semi-private room space on the third floor, which now contain only one rehabilitation bed per room.

Ownership Structure

- TriStar Skyline Medical Center is an HCA facility owned by HTI Memorial Hospital Corporation, which is 100% owned through wholly owned subsidiaries by HCA Holdings, Inc. Attachment A.4 contains details, an organization chart, and information on Tennessee facilities owned by HCA.

Service Area

- The project's primary service area for medical-surgical patients consists of Davidson, Sumner, Robertson, and Montgomery Counties. Approximately 84% of Skyline's medical-surgical admissions came from those counties in 2014. No other county contributed more than 2.3%.

Need

- This project is the third phase of a four-phase plan to convert the satellite campus to an exclusively behavioral medicine campus, concentrating all general acute care bed resources on Skyline's main campus. The first phase, completed after receiving several CON approvals, was to move all the satellite's rehabilitation beds to the main campus. The approved second phase, almost completed, transferred medical-surgical and critical care beds to renovated space on the main campus. The third phase (proposed in this CON application) is to transfer 10 more of the

satellite's remaining medical-surgical beds to the main campus to deal with severe bed shortages,. A future fourth phase is anticipated, which will complete the transfer of all TriStar Skyline's general acute care beds from its Madison satellite campus to its main campus. That phase will involve new construction.

- This 10-bed transfer (third phase) is very much needed. Bed availability has become a major problem at the main campus. Medical-surgical admissions and patient days continue to increase and those beds have high occupancies. As its neurosciences program continues to grow, and with its recent provisional designation as a Level II trauma Center, Skyline's need for beds will continue to increase.

- The data support this application. This year, based on annualizing 1st Quarter utilization, Skyline's approved main campus beds will exceed 90% average occupancy and its approved medical-surgical beds will exceed 88% occupancy. This includes bed use for observation patients, who are now 13% of all medical-surgical patient days, and are 10.7% of medical-surgical and intensive care days combined. Even with the proposed transfer of 10 beds from the Madison satellite, within two years total beds will be occupied at more than 87%, and medical-surgical beds will be occupied at more than 88%.

Existing Resources

- The most significant existing resource for this project is Skyline's unstaffed medical-surgical bed capacity on its Madison campus. That is the internal resource to be used for this project.

- The most recent (2013) Joint Annual Reports for Hospitals indicated that there are 12 *general* hospital facilities in the four-county primary service area, with a total of 4,254 licensed acute care beds. This excludes facilities or campuses dedicated to psychiatric, rehabilitation, and long term acute care services. This ten-bed transfer from one part of Davidson County to another will not affect those facilities in any significant way.

Project Cost, Funding, Financial Feasibility, and Staffing

- The estimated cost of the project is \$843,000, all of which will be provided by TriStar Skyline Medical Center from its operating income.

- Skyline's utilization ensures that the proposed beds will operate at high occupancy and with a positive financial margin.

- With growth in census continuing, RN staffing in the medical-surgical department will increase 6%, of a total of 984 FTE's. Total staffing of that department including clerical positions will increase by 6.1%.

TriStar Skyline Medical Center

- The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission.

- It is accredited by the Commission on Cancer and received that body's Outstanding Achievement Award in 2012.

- Its chest pain program is accredited by the Society of Chest Pain Centers.
- Skyline was Tennessee's first hospital to earn Comprehensive Stroke Center Certification from the Joint Commission.
- Skyline offers Middle Tennessee's only CARF-accredited (Commission on Accreditation of Rehabilitation Facilities) inpatient rehabilitation program in Middle Tennessee, and is one of only eight CARF-accredited programs Statewide.
- Skyline was recognized by the Joint Commission in CY2014 as a Top Performer in Key Quality Measures.
- Skyline has received an "A" safety score from the Leapfrog Group, and in 2013 was in Truven Analytics' "Top 100 Hospitals" list based on high quality outcomes and patient satisfaction.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.*) INCLUDING SQUARE FOOTAGE, MAJOR AREAS, ROOM CONFIGURATION, ETC.

A. Tables of Proposed Bed Changes

Table Two-A: Proposed Bed Changes at Skyline's Main Campus			
	Current Approved Licensed Beds	Proposed Licensed Beds	Change in Licensed Beds
Medical-Surgical	137	147	+10
Intensive Care	45	45	no change
Rehabilitation	41	41	no change
Total Hospital	223	233	+10 (+4.5%)

Table Two-B: Proposed Bed Changes at Skyline's Satellite Madison Campus			
	Current Approved Licensed Beds	Proposed Licensed Beds	Change in Licensed Beds
Medical-Surgical	37	27	-10
Intensive Care	4	4	no change
Behavioral	121	121	no change
Total Hospital	172	162	- 10 (-5.8%)

Table Two-C: Proposed Bed Changes at Skyline's Consolidated Campuses			
	Current Licensed Beds	Proposed Licensed Beds	Change in Licensed Beds
Medical-Surgical	174	174	no change
Intensive Care	49	49	no change
Rehabilitation	41	41	no change
Behavioral	121	121	no change
Total Hospital	385	385	no change

Table Two-D: Proposed Bed Changes By Floor at Skyline's Main Campus				
Floor	Project Component	Displaced Activities		
		Use of This Space Now	Future Location of Displaced Uses	Renovation Required?
2 nd	10 private patient rooms	rehabilitation	3 rd floor	no
3 rd	10 oversized patient rooms	rehabilitation	no displacements	yes
a. Bed spaces constructed on all floors at main campus: 10 semi-private spaces in oversized third-floor rooms currently used as single rooms b. Licensed bed spaces added to main campus: 10 med-surg beds c. Licensed bed capacity closed at satellite campus: 10 med-surg beds d. Change in rehabilitation bed capacity at main campus: No change d. Change in consolidated 385-bed total hospital license: No change				

B. Discussion of Construction and Bed Change

1. Second and Third Floor Changes in Patient Room Assignment, Main Campus

On the hospital's second floor, there are ten single patient rooms currently assigned to acute rehabilitation patients. On the third floor, in a rehabilitation unit, there are ten oversize "single" patient rooms with sufficient space to be semiprivate rooms, if renovated.

This project will transfer ten medical-surgical bed licenses from the satellite campus into the ten single rooms on the second floor. That can be accomplished quickly, without construction. The rehabilitation beds displaced from those second floor rooms will be moved into renovated oversized rooms on the third floor rehabilitation unit. Those rooms are capable of accommodating semi-private occupancy, after renovation.

2. Square Footage of Construction

Table Two-E: Summary of Construction	
	Square Feet
Area of New Construction	0 SF
Area of Renovation	3,620 SF
Second Floor, Main Campus	0 SF
Third Floor, Main Campus	3,620 SF
Total Area of Construction	3,620 SF (All Renovation)

Source: Project architect.

3. Operational Schedule

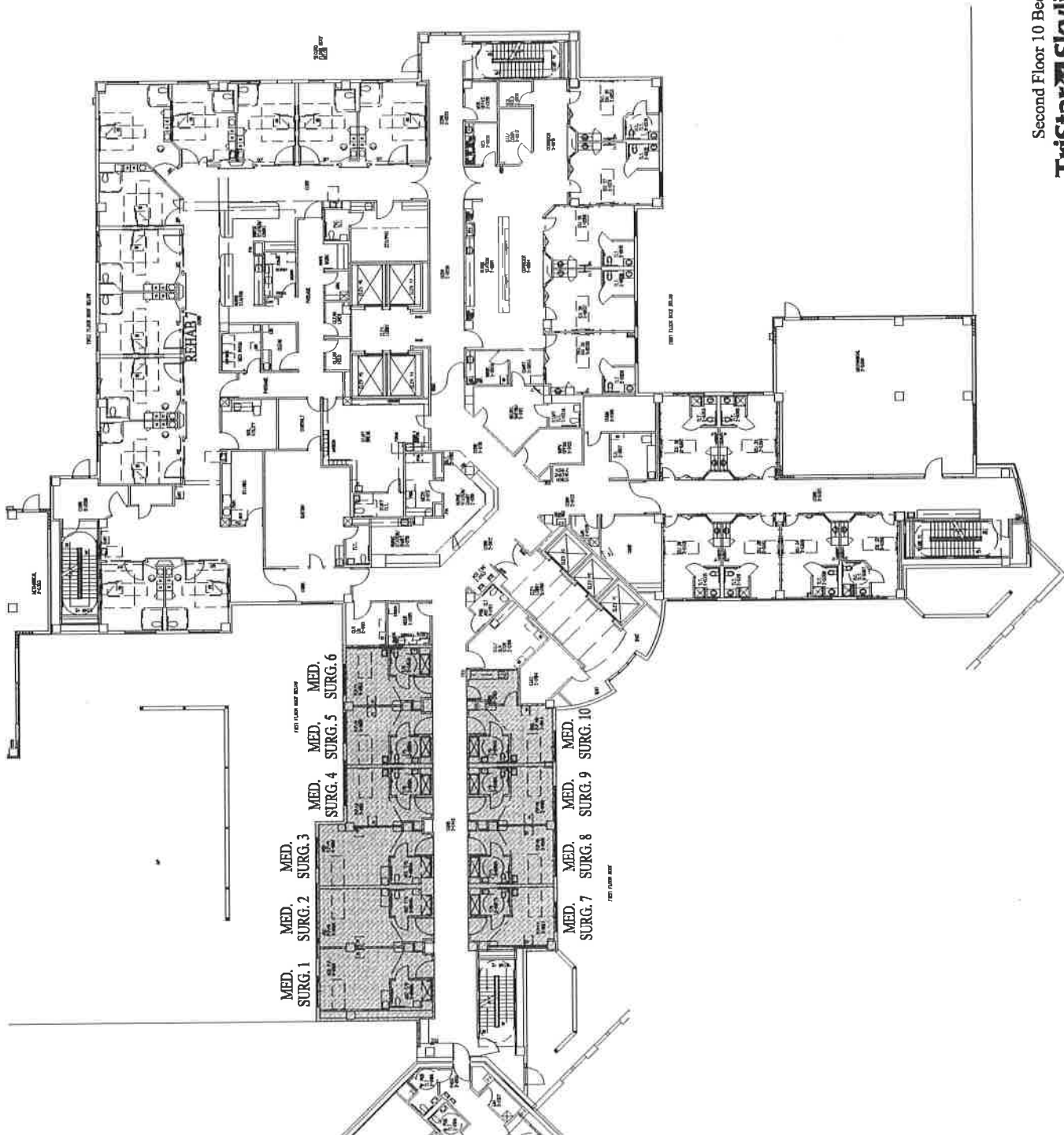
The ten beds transferred to the main campus beds will be available for patient use 24 hours daily, throughout the year. The applicant intends to open them by January 1, 2016.

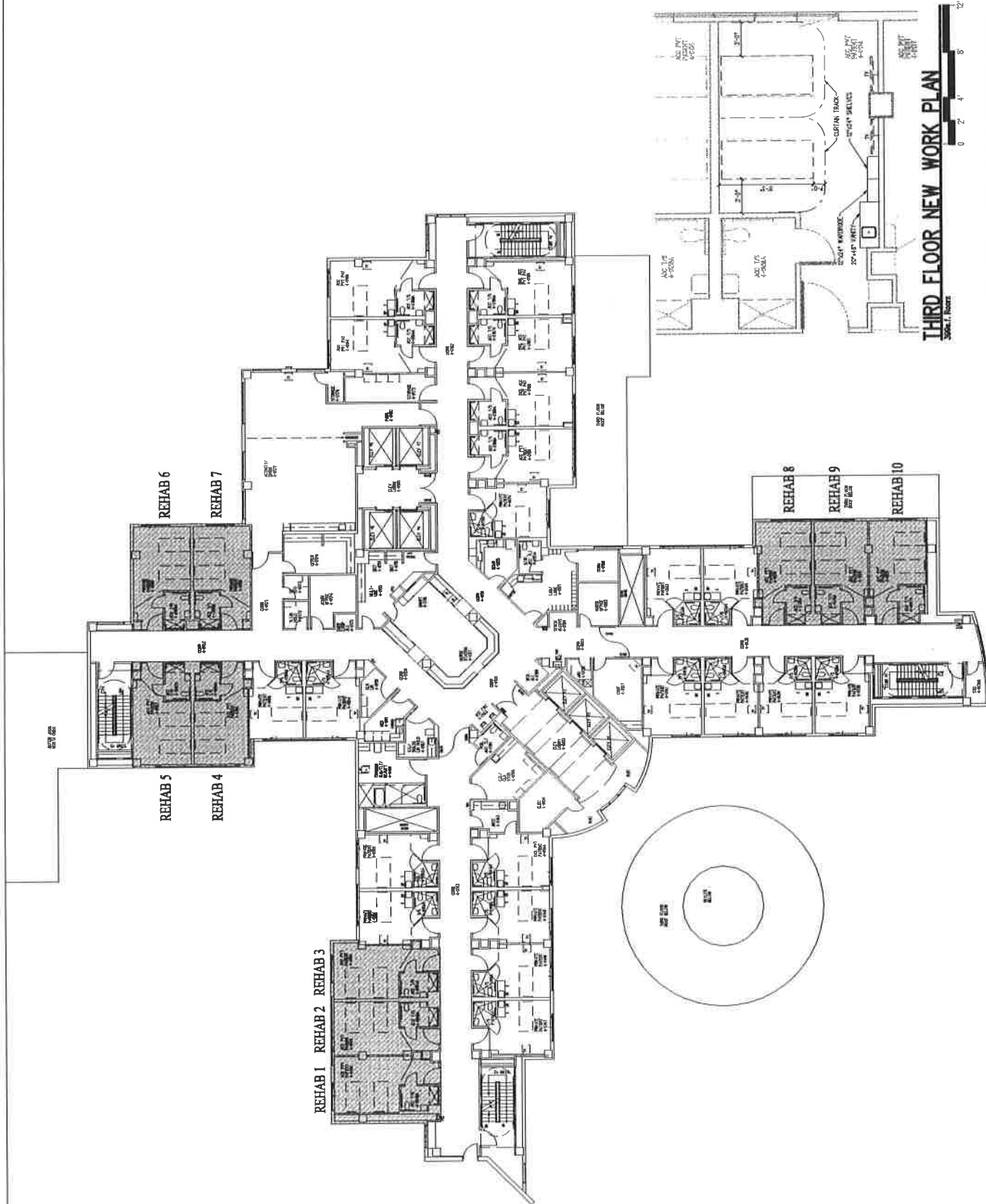
4. Cost and Funding

The project cost is estimated at \$843,000. It will be funded by TriStar Skyline Medical Center from its cash reserves and operating income.

5. Ownership

Skyline Medical Center is owned and operated by HCA Health Services of Tennessee, Inc., which is wholly owned through entities wholly owned by HCA, Inc., a national hospital company based in Nashville, Tennessee. HCA Holdings, Inc. owns HCA, Inc. Attachment A.4 contains an organization chart of the applicant's chain of ownership up to the parent company.





Third Floor 10 Bed Rehab Conversion Plan

Tristar Skyline Medical Center

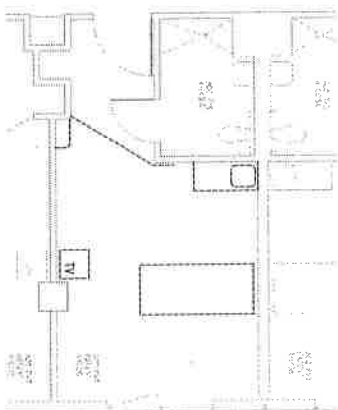
Nashville, Tennessee

04/13/15

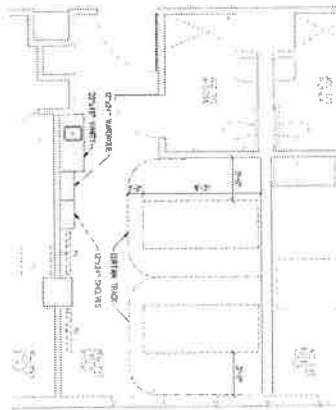


THIRD FLOOR PLAN

1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
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11c

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF \$5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF \$2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART...

Not applicable; the project cost is below that review threshold.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

The estimated \$600,000 construction cost of the project is approximately \$165.75 per square foot, as shown in Table Three-A below.

Table Three-A: Construction Costs			
	Renovated Construction	New Construction	Total Project
Square Feet	3,620 SF (10 rooms)	0	3,620 SF (10 rooms)
Construction Cost	\$600,000	0	\$600,000
Constr. Cost PSF	\$165.75 PSF	0	\$165.75 PSF

This is reasonable in comparison to 2011-13 hospital construction projects approved by the HSDA, which had the following costs per SF. The project cost PSF is below the HSDA's median average. Table Three-B below shows the HSDA-calculated averages for hospital renovation projects approved by the HSDA over the past three years.

Table Three-B: Hospital Construction Cost Per Square Foot Applications Approved by the HSDA Years: 2011 – 2013			
	Renovation	New Construction	Total Construction
1st Quartile	\$107.15/sq ft	\$235.00/sq ft	\$151.56/sq ft
Median	\$179.00/sq ft	\$274.63/sq ft	\$227.88/sq ft
3rd Quartile	\$249.00/sq ft	\$324.00/sq ft	\$274.63/sq ft

Source: Health Services and Development Agency website

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

This has been discussed above, with appropriate tables, in response to question B.II.A.

The Madison satellite campus will reduce its assigned medical-surgical bed complement by 10 beds--from 37 to 27 beds. Those ten bed licenses will be transferred from the satellite campus to the main campus, increasing the assigned medical-surgical beds at the main campus from 137 approved beds to 147 approved beds. This transfer will not change TriStar Skyline's consolidated 385-bed license for the two campuses. It will not change its consolidated complement of 174 approved medical-surgical beds at the two campuses.

Ten rehabilitation beds at the main campus will be moved from private rooms on the second floor to renovated semi-private rooms on a third floor rehabilitation unit, without a change in the hospital's rehabilitation bed complement.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

- 1. ADULT PSYCHIATRIC SERVICES**
- 2. ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS**
- 3. BIRTHING CENTER**
- 4. BURN UNITS**
- 5. CARDIAC CATHETERIZATION SERVICES**
- 6. CHILD AND ADOLESCENT PSYCHIATRIC SERVICES**
- 7. EXTRACORPOREAL LITHOTRIPSY**
- 8. HOME HEALTH SERVICES**
- 9. HOSPICE SERVICES**
- 10. RESIDENTIAL HOSPICE**
- 11. ICF/MR SERVICES**
- 12. LONG TERM CARE SERVICES**
- 13. MAGNETIC RESONANCE IMAGING (MRI)**
- 14. MENTAL HEALTH RESIDENTIAL TREATMENT**
- 15. NEONATAL INTENSIVE CARE UNIT**
- 16. NON-RESIDENTIAL METHADONE TREATMENT CENTERS**
- 17. OPEN HEART SURGERY**
- 18. POSITIVE EMISSION TOMOGRAPHY**
- 19. RADIATION THERAPY/LINEAR ACCELERATOR**
- 20. REHABILITATION SERVICES**
- 21. SWING BEDS**

As stated in the Executive Summary, this project is the third phase of a four-phase plan to convert TriStar Skyline Medical Center's satellite campus to an exclusively behavioral medicine campus, concentrating all other bed resources on its main campus on I-65 in north Davidson County. None of these three phases has proposed licensed bed increases for the hospital. It is TriStar's commitment to use all available internal resources before requesting additional beds.

The first phase, completed after receiving several CON approvals, was to move all the satellite's rehabilitation beds to the main campus.

The approved second phase, recently completed, transferred medical-surgical and critical care beds to renovated space on the main campus.

The third phase, this CON application, is to transfer 10 of the satellite's remaining medical-surgical beds to the main campus to provide some quick relief for severe bed shortages in peak periods, using only minor renovation.

A future fourth phase may be proposed at a later time, requiring new construction. If approved, that final phase will complete the transfer of all TriStar Skyline's unused licensed general acute beds (medical-surgical and critical care) from its Madison satellite campus to its main campus.

This third phase is very much needed at the main campus, which recently became Davidson County's second designated Trauma Center--a Level II Trauma Center serving the north parts of the greater Nashville area. Bed availability has become a major problem. Medical-surgical admissions and patient days continue to increase and those beds have high occupancies during the workweek. As its neurosciences program continues to grow, and with its new provisional designation as a Level II trauma Center, Skyline's need for beds will continue to increase.

This year, based on annualizing 1st Quarter utilization, Skyline's approved main campus beds will exceed 90% average occupancy and its approved medical-surgical beds will exceed 88% occupancy. This includes bed use for observation patients, who are now 13% of all medical-surgical patient days, and are 10.7% of medical-surgical and intensive care days combined. Even with the proposed transfer of 10 beds from the Madison satellite, within two years total beds will be occupied at more than 87%, and medical-surgical beds will be occupied at more than 88%.

Table Four below shows by calendar quarter the average occupancy of the applicant's medical-surgical beds in CY2014-CY2015, both with and without bed days used by observation patients. This is based on 365 days a year. Medical-surgical occupancy calculated on Monday-Friday bed availability, the workweek for most medical-surgical activity, has been even higher.

Table Four: Skyline Main Campus--Medical / Surgical Bed Occupancies On Seven-Day Week CY2014-First Quarter of CY2015					
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Occupancy (includes observation patients)	83%	83%	86%	85%	89%
Occupancy (excludes observation patients)	71%	71%	73%	72%	77%

As Greater Nashville's population grows, the need to widely distribute beds to suburban growth areas of the city also increases. The CON Board has historically recognized this need, by repeatedly approving expansions of services and beds at suburban hospitals. This particular expansion does not expand the applicant's licensed bed complement; it only shifts Skyline's own licensed beds from one campus to another within the same county.

A significant factor to consider is that approximately 85% of Skyline's admitting physicians now practice primarily or almost exclusively at Skyline. Most cannot practice productively at multiple hospitals in central Davidson County, or in Gallatin, Springfield, or Hendersonville, which are a long drive from Skyline. It is problematic to ask unwilling patients to change physicians or service sites, simply to be able to fill up distant hospital beds. There is a need to maintain reasonable bed availability in north Davidson County, for those patients whose physicians need to care for them at Skyline. While many patients can wait for an admission, many others cannot--for example, many medical patients and those with emergency surgeries. Suburban bed need should be locally met when feasible.

Another major factor to consider is Skyline's May 20, 2014 designation as a Trauma Center. This expanded level of service is bringing larger numbers of emergency patients to Skyline's main campus on I-65. Some patients brought to Skyline's Trauma Center will choose to transfer to beds at a different hospital immediately after stabilization in the Emergency Department; but many will choose to remain at Skyline for their subsequent medical-surgical care. This expansion of the Skyline Emergency Department's role in the region will result in even higher ICU and medical-surgical admissions in coming years.

B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

Not applicable. The project does neither of those things.

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF \$1.5 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

1. For fixed site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total Cost (As defined by Agency Rule);
 2. Expected Useful Life;
 3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedule of operations.
2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost;
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.) In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable. There is no major medical equipment proposed in this project.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:

1. SIZE OF SITE (IN ACRES);
2. LOCATION OF STRUCTURE ON THE SITE;
3. LOCATION OF THE PROPOSED CONSTRUCTION; AND
4. NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

See Attachment B.III.A.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

Skyline Medical Center's main campus is located in the far north edge of Davidson County. It is beside I-65 a short distance north of I-65's intersection with Briley Parkway/TN 155, a road that circles through the northern, western, and eastern sectors of Nashville. Briley Parkway/TN155 also connect quickly to I-24. Residents of Montgomery County access Skyline easily via I-24. Robertson County residents access Skyline easily via I-65 and US 41 and 431 / Briley Parkway. Sumner County residents access Skyline easily via US 31E / Vietnam Veterans' Boulevard.

Table Five: One-Way Mileage and Drive Times Between TriStarSkyline Medical Center and Other Medical-Surgical Beds In the Primary Service Area		
Location of Medical-Surgical Beds	Mileage 1-Way	Drive Time 1-Way
Centennial Medical Center	8.9 miles	16
Metro NV General Hospital	8.7 miles	15
Saint Thomas Midtown Hospital	8.4 miles	14
Saint Thomas West Hospital	11.1 miles	17
Southern Hills Medical Center	16.4 miles	24
Summit Medical Center	18.1 miles	23
The Center for Spinal Surgery	8.4 miles	14
Vanderbilt Medical Center	9.3 miles	17
Northcrest Medical Center	22.0 miles	30
Hendersonville Medical Center	12.4 miles	15
Sumner Regional Medical Center	24.8 miles	31
Gateway Medical Center	40.9 miles	42

Source: Google Maps, March 29, 2015. All facilities are in Davidson County, except Northcrest (Robertson Co.), Hendersonville and Sumner (Sumner Co.), and Gateway (Montgomery Co.).

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY

- 1. EXISTING SERVICE AREA (BY COUNTY);**
- 2. PROPOSED SERVICE AREA (BY COUNTY);**
- 3. A PARENT OR PRIMARY SERVICE PROVIDER;**
- 4. EXISTING BRANCHES AND/OR SUB-UNITS; AND**
- 5. PROPOSED BRANCHES AND/OR SUBUNITS.**

Not applicable. The application is not for a home care organization.

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.

A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

Project-Specific Review Criteria--Acute Care Bed Services

From an areawide planning standpoint, this project should not have any issues because it does not increase the Skyline bed license or the licensed beds in the service area. It involves relocation of a net of 10 beds a distance of several miles within the county, and even within the same northern half of the county.

1. The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year...(guidelines detail the steps of the bed need projection methodology; see pp. 15-16 of Guidelines for Growth.)

The Tennessee Department of Health's most recently issued bed need projection (for 2019) is provided following this response. It indicates a surplus of 942 hospital beds in the four-county area. This is not relevant because this project does not add licensed beds and can not affect the bed surplus.

Table Six: Project Has No Impact On Licensed Hospital Beds in the Service Area					
PSA County	Licensed Beds	Bed Need or (Surplus) 2019	Proposed New Licensed Beds	% of Licensed Beds	% of Bed Surplus
Davidson	3,772	(664)	0	0	0
Montgomery	270	(124)	0	0	0
Robertson	109	(51)	0	0	0
Sumner	303	(103)	0	0	0
Primary Service Area	4,454	(942)	0	0	0

Source: TN Department of Health Hospital Bed Need Projection dated 10-1-14.

ACUTE-CARE BED NEED PROJECTIONS FOR 2015 AND 2019, BASED ON FINAL 2013 HOSPITAL JARS

COUNTY	2013		CURRENT		SERVICE AREA POPULATION				PROJECTED				PROJECTED				2013 ACTUAL BEDS				SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC	NEED	2013	2015	2019	2013	2015	2019	ADC-2015	NEED 2015	2019	ADC-2019	NEED 2019	2019	2019	LICENSED	STAFFED	LICENSED	STAFFED	LICENSED	STAFFED
Anderson	47,500	130	163	92,001	92,797	94,348	131	164	167	133	164	167	133	167	167	167	301	210	301	210	-134	-43
Beford	5,708	16	25	15,314	15,759	16,845	16	25	27	17	25	27	17	27	27	27	60	60	60	60	-33	-33
Benton	1,766	5	10	2,113	2,100	2,082	5	10	10	5	10	10	5	10	10	10	25	25	25	25	-15	-15
Bledsoe	2,359	7	12	2,062	2,055	2,072	6	12	12	7	12	12	7	12	12	12	25	25	25	25	-13	-13
Blount	50,507	138	173	95,728	98,063	103,261	142	177	187	149	177	187	149	187	187	187	304	225	304	225	-117	-38
Bradley	35,353	97	121	77,757	79,131	81,862	99	123	128	102	123	128	102	128	128	128	351	186	351	186	-223	-58
Campbell	20,856	57	75	23,502	23,788	24,299	58	76	77	59	76	77	59	77	77	77	120	106	120	106	-43	-29
Cannon	4,548	13	21	3,738	3,786	3,882	13	21	21	13	21	21	13	21	21	21	60	50	60	50	-39	-29
Carroll	6,256	17	27	14,347	14,339	14,357	17	27	27	17	27	27	17	27	27	27	115	68	115	68	-88	-41
Carter	15,818	43	59	28,437	28,554	28,894	43	59	59	44	59	59	44	59	59	59	121	74	121	74	-62	-15
Cheatham	1,389	4	8	1,181	1,196	1,222	4	8	8	4	8	8	4	8	8	8	12	12	12	12	-3	-3
Chester	5,911	16	26	7,876	7,978	8,220	16	26	26	17	26	26	17	26	26	26	85	29	85	29	-59	-3
Claiborne	4,155	11	19	4,376	4,365	4,382	11	19	19	11	19	19	11	19	19	19	36	34	36	34	-17	-15
Clay	7,711	21	32	15,765	16,152	16,987	22	32	32	23	32	32	23	32	32	32	74	36	74	36	-40	-2
Cokee	27,071	74	94	51,836	52,723	55,118	75	96	96	79	96	96	79	96	96	96	214	158	214	158	-114	-58
Coffee	22,267	61	79	42,951	43,641	45,540	62	80	80	65	80	80	65	80	80	80	189	123	189	123	-106	-40
Cumberland	843,995	2,312	2,890	1,539,779	1,578,762	1,655,538	2,371	2,964	2,964	2,486	2,964	2,964	2,486	2,964	2,964	2,964	3,772	3,221	3,772	3,221	-551	-113
Decatur	2,455	7	13	3,856	3,891	3,976	7	13	13	7	13	13	7	13	13	13	40	27	40	27	-27	-14
DeKalb	3,607	10	17	7,103	7,143	7,232	10	17	17	10	17	17	10	17	17	17	71	56	71	56	-54	-39
Dickson	18,737	51	68	33,265	33,522	34,095	52	68	69	53	68	69	53	69	69	69	157	120	157	120	-88	-51
Dyer	11,821	32	46	29,779	29,711	29,694	32	46	46	32	46	46	32	46	46	46	225	115	225	115	-179	-69
Fayette	626	2	5	1,988	2,056	2,222	2	5	5	2	5	5	2	5	5	5	46	10	46	10	-41	-5
Fentress	8,781	24	36	13,232	13,363	13,696	24	36	36	25	36	36	25	36	36	36	85	54	85	54	-48	-17
Franklin	20,315	56	73	31,859	32,049	32,759	56	73	73	57	73	73	57	73	73	73	152	110	152	110	-77	-35
Gibson	3,614	10	17	5,600	5,673	5,777	10	17	17	10	17	17	10	17	17	17	209	90	209	90	-191	-72
Giles	8,326	23	34	11,731	11,735	11,762	23	34	34	23	34	34	23	34	34	34	95	81	95	81	-61	-47
Granger	25,392	70	89	49,728	50,233	51,356	70	90	90	72	90	90	72	90	90	90	240	171	240	171	-148	-79
Greene	36,409	100	125	72,892	73,833	75,908	101	126	126	104	126	126	104	126	126	126	302	224	302	224	-172	-94
Grundy	384,175	1,053	1,316	698,510	711,934	736,549	1,073	1,341	1,341	1,110	1,341	1,341	1,110	1,341	1,341	1,341	1,551	1,225	1,551	1,225	-164	162
Hamilton	1,095	3	7	1,538	1,536	1,540	3	7	7	3	7	7	3	7	7	7	10	10	10	10	-3	-3
Hancock	649	2	5	1,868	1,850	1,836	2	5	5	2	5	5	2	5	5	5	51	21	51	21	-46	-16
Hardeman	6,405	18	27	15,152	15,243	15,443	18	27	27	18	27	27	18	27	27	27	58	49	58	49	-30	-21
Hardin	3,135	9	15	10,182	10,262	10,348	9	16	16	9	16	16	9	16	16	16	50	46	50	46	-34	-30
Hawkins	657	2	5	1,824	1,809	1,808	2	5	5	2	5	5	2	5	5	5	62	36	62	36	-57	-31
Haywood	1,544	4	9	4,152	4,181	4,251	4	9	9	4	9	9	4	9	9	9	45	45	45	45	-36	-36
Henderson	15,780	43	59	28,632	28,747	28,957	43	59	59	44	59	59	44	59	59	59	142	101	142	101	-83	-42
Henry	634	2	5	1,062	1,065	1,079	2	5	5	2	5	5	2	5	5	5	15	15	15	15	-10	-10
Hickman	2,481	7	13	4,230	4,270	4,318	7	13	13	7	13	13	7	13	13	13	25	25	25	25	-12	-12
Houston	1,420	4	9	2,829	2,834	2,843	4	9	9	4	9	9	4	9	9	9	25	25	25	25	-16	-16
Humphreys	0	0	0	16,050	16,432	17,274	0	0	0	0	0	0	0	0	0	0	58	58	58	58	-58	-58
Jefferson	44	0	1	210	210	211	0	1	1	0	1	1	0	1	1	1	2	2	2	2	-1	-1
Johnson	422,686	1,158	1,448	803,311	820,124	854,970	1,182	1,478	1,478	1,232	1,478	1,478	1,232	1,478	1,478	1,478	2,167	1,761	2,167	1,761	-626	-220
Knox	1,435	4	9	3,370	3,346	3,330	4	9	9	4	9	9	4	9	9	9	25	25	25	25	-17	-17
Lauderdale	7,047	19	30	16,074	16,095	16,084	19	30	30	19	30	30	19	30	30	30	99	80	99	80	-69	-50
Lawrence	8,261	23	34	17,546	17,872	18,600	23	34	34	24	34	34	24	34	34	34	59	59	59	59	-24	-24
Lewis	6,434	18	27	13,200	13,483	14,053	18	28	28	19	28	28	19	28	28	28	50	30	50	30	-21	-1
Loudon	13,270	36	50	29,531	29,836	30,470	37	51	51	38	51	51	38	51	51	51	190	108	190	108	-138	-56
McMinn																						

ACUTE-CARE BED NEED PROJECTIONS FOR 2015 AND 2019, BASED ON FINAL 2013 HOSPITAL JARS

COUNTY	2013		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED		PROJECTED		2013 ACTUAL BEDS		SHORTAGE/SURPLUS		
	INPATIENT DAYS	ADC		2013	2015	2019	ADC-2015	NEED 2015	ADC-2019	NEED 2019	LICENSED	STAFFED	LICENSED	STAFFED	
McNairy	3,333	9	16	8,848	8,943	9,157	9	9	16	9	17	45	45	-28	-28
Macon	3,429	9	17	5,804	5,920	6,156	10	10	17	10	17	25	25	-8	-8
Madison	172,995	474	593	280,526	282,013	285,139	477	482	596	602	761	787	761	-185	-159
Marion	12,780	35	49	8,579	8,721	9,030	36	37	49	51	70	36	36	-19	15
Marshall	674	2	5	1,896	1,912	1,967	2	2	5	5	12	25	12	-7	-20
Maury	43,404	119	149	102,878	103,320	104,433	119	121	149	151	255	215	215	-104	-64
Meigs	10,069	28	40	18,416	18,756	19,509	28	29	40	42	59	59	59	-17	-17
Monroe	38,739	106	133	116,477	120,677	128,117	110	117	137	146	220	270	220	-124	-74
Moore															
Morgan	10,278	28	41	22,549	22,484	22,445	28	28	40	40	173	85	85	-133	-45
Obion	15,658	43	58	21,364	21,633	22,265	43	45	59	60	114	82	82	-54	-22
Overton	5,857	16	25	4,255	4,277	4,318	16	16	25	26	53	25	25	-27	1
Perry															
Pickett	0	0	0												
Polk	59,567	163	204	107,833	110,430	116,008	167	176	209	219	25	25	25	-28	-24
Putnam	3,425	9	17	7,947	8,127	8,426	10	10	17	17	25	25	25	-8	-8
Rhea	8,505	23	35	14,772	14,831	15,003	23	24	35	35	52	52	52	-17	-17
Roane	14,329	39	54	24,828	25,547	26,872	40	43	55	58	109	66	66	-51	-8
Robertson	92,955	255	318	239,589	252,234	279,426	268	297	335	371	481	453	453	-110	-92
Rutherford															
Scott															
Sequatchie	13,072	36	50	36,617	37,586	39,846	37	39	51	53	79	69	69	-26	-16
Sevier	942,706	2,583	3,229	1,436,182	1,449,947	1,475,999	2,608	2,654	3,259	3,318	4,177	3,131	3,131	-859	187
Shelby	6,445	18	28	8,383	8,519	8,807	18	19	28	29	25	18	18	4	11
Smith															
Stewart	224,250	614	768	398,768	404,474	415,672	623	640	779	801	1,056	768	768	-255	33
Sullivan	53,395	146	183	120,001	123,770	131,130	151	160	189	200	303	230	230	-103	-30
Sumner	3,872	11	18	12,190	12,452	13,031	11	11	18	19	100	44	44	-81	-25
Tipton	1,895	5	11	2,314	2,376	2,485	5	6	11	11	25	11	11	-14	0
Trousdale	4,379	12	20	5,857	5,884	5,929	12	12	20	20	48	7	7	-28	13
Union															
Van Buren	11,407	31	44	21,829	22,017	22,406	32	32	45	45	125	1	1	-80	44
Warren	159,307	437	546	186,836	190,225	196,843	444	460	556	575	581	574	574	-6	1
Washington	1,957	5	11	4,447	4,428	4,396	5	5	11	11	80	32	32	-69	-21
Wayne	5,847	16	25	14,554	14,740	15,063	16	17	26	26	100	65	65	-74	-39
Weakley	1,546	4	9	904	895	888	4	4	9	9	60	44	44	-51	-35
White	30,928	85	106	92,907	96,593	104,452	88	95	110	119	185	185	185	-66	-86
Williamson	31,830	87	109	51,888	53,712	57,167	90	96	113	120	245	245	245	-125	-125

Source: Tennessee Department of Health, Division of Policy, Planning and Assessment, Office of Health Statistics.

10/1/2014

Data from Final JAR-Hospitals Schedules F and G. Underlying Tennessee population estimates and projections (2013 Projection Series) from Office of Health Statistics. Projections and estimates for other states obtained from those states.

2. New hospital beds can be approved in excess of the “need standard for a county” if the following criteria are met:

a) All existing hospitals in the projected service area have an occupancy level greater than or equal to 80% for the most recent joint annual report. Occupancy should be based on the number of licensed beds rather than on staffed beds.

b) All outstanding new acute care bed CON projects in the proposed service area are licensed.

c) The Health Facilities Agency may give special consideration to acute care bed proposals for specialty health service units in tertiary care regional referral hospitals.

Not applicable. This project does not add licensed beds to the service area.

Project-Specific Review Criteria: Replacement of Health Care Institutions

1. Any project that includes the addition of beds, services, or medical equipment will be reviewed under the standards for those specific activities.

Not applicable. The project does none of those.

2. For relocation or replacement of an existing licensed healthcare institution:

a. The applicant should provide plans which include costs for both renovation and relocation, demonstrating the strengths and weaknesses of each alternative.

b. The applicant should demonstrate that there is an acceptable existing or projected future demand for the proposed project.

Not applicable; the project is not relocating or replacing an institution.

3. For renovation or expansion of an existing licensed healthcare institution:

a. The applicant should demonstrate that there is an acceptable existing demand for the proposed project.

The applicant recently became Davidson County’s second designated Trauma Center--a Level II Trauma Center serving the north parts of the greater Nashville area. Bed availability has become a major problem. Medical-surgical admissions and patient days continue to increase and those beds have high occupancies during the workweek. As its neurosciences program continues to grow, and with its new provisional designation as a Level II trauma Center, Skyline’s need for beds will continue to increase.

This year, based on annualizing 1st Quarter utilization, Skyline's approved main campus beds will exceed 90% average occupancy and its approved medical-surgical beds will exceed 88% occupancy. This includes bed use for observation patients, who are now 13% of all medical-surgical patient days, and are 10.7% of medical-surgical and intensive care days combined. Even with the proposed transfer of 10 beds from the Madison satellite, within two years total beds will be occupied at more than 87%, and medical-surgical beds will be occupied at more than 88%.

Table Four below shows by calendar quarter the average occupancy of the applicant's medical-surgical beds in CY2014-CY2015, both with and without bed days used by observation patients. This is based on 365 days a year. Medical-surgical occupancy calculated on Monday-Friday bed availability, the workweek for most medical-surgical activity, has been even higher.

Table Four: Skyline Main Campus--Medical / Surgical Bed Occupancies On Seven-Day Week CY2014-First Quarter of CY2015					
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Occupancy (includes observation patients)	83%	83%	86%	85%	89%
Occupancy (excludes observation patients)	71%	71%	73%	72%	77%

b. the applicant should demonstrate that the existing physical plant's condition warrants major renovation or expansion.

Not applicable, in that this is not a renovation of deficient structures that would require cost analysis of alternative building solution. It is only a renovation of ten patient rooms to achieve maximum bed capacity on one floor of the hospital.

The Framework for Tennessee's Comprehensive State Health Plan

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan. After each principle, the applicant states how this CON application supports the principle, if applicable.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

This project will enable Skyline Medical Center to continue to assure appropriate medical and surgical intervention for patients residing in its service area, where those patients would have difficulty utilizing another hospital without changing their physician, and/or driving long distances.

2. Access to Care

Every citizen should have reasonable access to health care.

Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

Skyline was originally constructed to replace the old Memorial Hospital in Madison. It has since become a primary hospital resource for large numbers of residents of a four-county service area. The relocation of its licensed beds from an area where they cannot be used, to the main campus where they are much needed, will improve area patients' convenient access to care in this part of the greater Nashville urban area.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

This project efficiently utilizes existing main campus building space, and relocates only beds belonging to this hospital. It is not a project that impacts competition among hospitals in any significant way. It is also efficient for persons coming to the Skyline Emergency Department

and Trauma Program to be able to have access to inpatient beds on the Skyline campus, after stabilization, should they so choose.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

TriStar hospitals such as Skyline Medical Center pursue and maintain high quality standards in their services, as defined by best practices standards within HCA as well as by standards promulgated by State licensure.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

This project will not affect the health care workforce to any significant degree.

C(I).2. DESCRIBE THE RELATIONSHIP OF THIS PROJECT TO THE APPLICANT'S LONG-RANGE DEVELOPMENT PLANS, IF ANY.

As stated above in other sections of the application, this project is the third phase of a four-phase plan to convert the satellite campus to an exclusively behavioral medicine campus, concentrating all other inpatient resources on Skyline's main campus on I-65.

The first phase, completed after receiving several CON approvals, was to move all the satellite's rehabilitation beds to the main campus.

The second phase (CN1406-020, nearing completion) transferred critical care beds to the main campus in the fastest way possible--by internal renovations.

The third phase, this project, is to transfer more medical-surgical capacity to the main campus up to the limits of existing space.

The fourth phase, now in planning, is to move the rest of the satellite's medical-surgical and beds to the main campus in a project involving new construction.

C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

TriStar Skyline Medical Center admitted medical-surgical patients from Tennessee and 30 other States during CY2014. Its medical-surgical primary service area consisted of Davidson, Sumner, Robertson, and Montgomery Counties in Tennessee, which contributed 83.6% of all medical-surgical admissions. No other county in any State contributed as much as 2.5% of total admissions. No Kentucky county contributed as much as 1% of total admissions.

Table Seven below projects patient origin for medical-surgical admissions, mirroring the hospital's 2014 experience. A service area map and a map showing the location of the service within the State of Tennessee are provided as Attachments C, Need--3 at the back of the application.

Table Seven: Projected Patient Origin Skyline Medical Center Medical-Surgical Admissions			
PSA County	Percent of Total	Yr. 1 Admissions	Yr. 2 Admissions
Davidson	59.6%	4,518	4,609
Sumner	10.6%	804	820
Robertson	9.6%	728	742
Montgomery	3.8%	288	294
PSA Subtotal	83.6%	6,338	6,465
Other States & Counties (<2.5%)	16.4%	1,243	1,268
Total	100%	7,581	7,733

Source: Applicant's CY2013 records. Data rounded to add to correct total admissions.

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

Please refer to Table Eight on the following page. Each county in the 4-county primary service area (PSA) is increasing in population faster than the State average. The Department of Health projects that the total PSA population will increase by 4.8% between 2015 and 2019, compared to 3.7% for the State in that period. The elderly 65+ population will increase by 15.9%, compared to 12.0% for the State in that period. The primary service area's income, poverty and TennCare profiles differ somewhat from the State average. The primary service area shows a 16.5% TennCare enrollment rate compared to 17.6% for Tennessee. The area has an unweighted average poverty level of 18.2%, compared to a 19.9% Statewide rate.

**Table Eight: Demographic Characteristics of Medical-Surgical Primary Service Area
TriStar Skyline Medical Center
2015-2019**

Demographic	DAVIDSON County	SUMNER County	ROBERTSON County	MONTGOMERY County	TENNESSEE PSA	STATE OF TENNESSEE
Median Age-2010 US Census	33.9	30.0	37.6	38.6	35.0	38.0
Total Population-2015	663,151	175,054	71,437	191,068	1,100,710	6,649,438
Total Population-2019	688,318	186,146	75,312	203,460	1,153,236	6,894,997
Total Population-% Change 2015 to 2019	3.8%	6.3%	5.4%	6.5%	4.8%	3.7%
Age 65+ Population-2015	77,086	26,272	8,312	16,969	128,639	1,012,937
% of Total Population	11.6%	15.0%	11.6%	8.9%	11.7%	15.2%
Age 65+ Population-2019	88,812	30,856	9,689	19,759	149,116	1,134,565
% of Total Population	12.9%	16.6%	12.9%	9.7%	12.9%	16.5%
Age 65+ Population- % Change 2015-2019	15.2%	17.4%	16.6%	16.4%	15.9%	12.0%
Median Household Income	\$47,335	\$55,509	\$52,792	\$49,617	\$51,313.25	\$44,298
TennCare Enrollees (11/14)	133,164	26,080	12,347	28,491	200,082	1,324,208
Percent of 2015 Population Enrolled in TennCare	20.1%	14.9%	17.3%	14.9%	18.2%	19.9%
Persons Below Poverty Level (2009-2013)	122,683	18,206	9,287	31,335	181,511	1,170,301
Persons Below Poverty Level As % of Population (US Census)	18.5%	10.4%	13.0%	16.4%	16.5%	17.6%

Sources: TDH Population Projections, May 2013; U.S. Census QuickFacts and FactFinder2;
TennCare Bureau. PSA data is unweighted average or total of county data.

C(I).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

Like other services of Skyline Medical Center, this proposed small medical-surgical bed expansion will be accessible to the above groups. It will accept both Medicare and TennCare patients.

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY. INPATIENT BED PROJECTS MUST INCLUDE THE FOLLOWING DATA: ADMISSIONS OR DISCHARGES, PATIENT DAYS, AND OCCUPANCY. OTHER PROJECTS SHOULD USE THE MOST APPROPRIATE MEASURES, E.G., CASES, PROCEDURES, VISITS, ADMISSIONS, ETC.

Table Nine on the following page shows all available Joint Annual Report data on acute care bed utilization for service area hospitals. The C2014 data are not yet available. The overall service area occupancy of comparable licensed general hospital facilities in 2013 was 60.9%, and it has been increasing slowly over the years. For the years 2011-13, patient days and average occupancies have been increasing.

However, these TDH statistics do not include observation days, which have become significant factors for most hospitals, because observation patients typically occupy licensed beds, receive care, and have their care reimbursed by insurers (albeit at lower dollar levels). If they are using licensed beds, observation patients and days should be included in JAR statistics because otherwise it is not possible to know the true occupancies of the hospital's licensed beds. As an example of the difference it makes, please see Skyline's Table Ten in the next section of this application, referencing medical-surgical beds and total beds.

**Table Nine: General Acute Care Hospital Utilization in Primary Service Area
2010-2013**

2011 Joint Annual Reports of Hospitals								
State ID	Facility Name	County	Licensed Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Centennial Medical Center	Davidson	606	23,187	139,114	6.0	381	62.9%
	Metro NV General Hospital	Davidson	150	4,570	21,027	4.6	58	38.4%
	Saint Thomas Midtown Hospital	Davidson	683	24,448	113,135	4.6	310	45.4%
	Saint Thomas West Hospital	Davidson	541	22,623	102,534	4.5	281	51.9%
	Skyline Medical Center, Nashville	Davidson	213	9,152	51,710	5.7	142	66.5%
	Southern Hills Medical Center	Davidson	120	3,548	15,693	4.4	43	35.8%
	Summit Medical Center	Davidson	188	9,984	39,877	4.0	109	58.1%
	The Center for Spinal Surgery	Davidson	23	1,127	1,505	1.3	4	17.9%
	Vanderbilt Medical Center	Davidson	916	49,174	275,500	5.6	755	82.4%
	Gateway Medical Center	Montgomery	270	11,337	43,753	3.9	120	44.4%
	Northcrest Medical Center	Robertson	109	4,173	17,535	4.2	48	44.1%
	Hendersonville Medical Center	Sumner	110	4,748	18,732	3.9	51	46.7%
	Sumner Regional Medical Center	Sumner	155	6,566	26,274	4.0	72	46.4%
	SERVICE AREA TOTALS		4,084	174,637	866,389	5.0	2,374	58.1%

2012 Joint Annual Reports of Hospitals								
State ID	Facility Name	County	Licensed Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Centennial Medical Center	Davidson	606	25,830	147,903	5.7	405	66.9%
	Metro NV General Hospital	Davidson	150	4,069	17,401	4.3	48	31.8%
	Saint Thomas Midtown Hospital	Davidson	683	24,189	112,163	4.6	307	45.0%
	Saint Thomas West Hospital	Davidson	541	22,621	100,202	4.4	275	50.7%
	Skyline Medical Center, Nashville	Davidson	213	9,773	52,021	5.3	143	66.9%
	Southern Hills Medical Center	Davidson	120	4,077	17,845	4.4	49	40.7%
	Summit Medical Center	Davidson	188	10,779	42,722	4.0	117	62.3%
	The Center for Spinal Surgery	Davidson	23	1,144	1,519	1.3	4	18.1%
	Vanderbilt Medical Center	Davidson	916	50,240	275,013	5.5	753	82.3%
	Gateway Medical Center	Montgomery	270	11,248	41,483	3.7	114	42.1%
	Northcrest Medical Center	Robertson	109	3,836	15,747	4.1	43	39.6%
	Hendersonville Medical Center	Sumner	110	5,551	20,434	3.7	56	50.9%
	Sumner Regional Medical Center	Sumner	155	6,790	27,948	4.1	77	49.4%
	SERVICE AREA TOTALS		4,084	180,147	872,401	4.8	2,390	58.5%

Note: Tables exclude dedicated rehabilitation, long-term acute, and psychiatric facilities.

2013 Joint Annual Reports of Hospitals								
State ID	Facility Name	County	Licensed Beds	Admissions	Days	Avg Length of Stay (Days)	Avg Daily Census (Patients)	Occupancy on Licensed Beds
	Centennial Medical Center	Davidson	657	30,620	162,537	5.3	445	67.8%
	Metro NV General Hospital	Davidson	150	3,984	17,269	4.3	47	31.5%
	Saint Thomas Midtown Hospital	Davidson	683	29,253	122,815	4.2	336	49.3%
	Saint Thomas West Hospital	Davidson	541	21,386	99,877	4.7	274	50.6%
	Skyline Medical Center, Nashville	Davidson	213	10,024	55,811	5.6	153	71.8%
	Southern Hills Medical Center	Davidson	126	4,209	20,068	4.8	55	43.6%
	Summit Medical Center	Davidson	188	11,702	45,628	3.9	125	66.5%
	The Center for Spinal Surgery	Davidson	23	1,120	1,485	1.3	4	17.7%
	Vanderbilt Medical Center	Davidson	1,019	57,768	306,878	5.3	841	82.5%
	Gateway Medical Center	Montgomery	270	11,531	39,986	3.5	110	40.6%
	Northcrest Medical Center	Robertson	109	3,751	14,987	4.0	41	37.7%
	Hendersonville Medical Center	Sumner	110	6,524	21,924	3.4	60	54.6%
	Sumner Regional Medical Center	Sumner	155	8,080	33,900	4.2	93	59.9%
	SERVICE AREA TOTALS		4,244	199,952	943,165	4.7	2,584	60.9%

Note: Tables exclude dedicated rehabilitation, long-term acute, and psychiatric facilities.

Source: Joint Annual Reports of Hospitals; THA Database

C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

Skyline Medical Center's main campus on Interstate 65 has rapidly developed its acute care programs in recent years, resulting in increasing admissions requests. Almost a decade ago, Skyline received the State's first Accreditation as a Primary Stroke Care Center; and then became the State's first Comprehensive Stroke Center in 2013. It has been named one of 100 Top Hospitals by Truven Health Analytics. Its Cancer Program is accredited by the Commission on Cancer, which also awarded Skyline its Outstanding Achievement Award in 2012. It is a certified Chest Pain Center with PCI. Its Neurosurgery services are recognized widely for excellence. As a result of these and other service improvements, the hospital's bed resources are stretched very tightly.

Table Ten on the second following page provides Skyline's actual utilization by bed assignment, for the prior three years (CYP2012-14), and projected utilization by bed assignment for CY2015-2017. The methodologies for the projections are summarized below.

In the table, please note the significant difference in "occupancy" when considering observation patients along with fully admitted patients. With continuing insurer pressures to place patients in "observation" status rather than "inpatient" status through formal admission, hospitals are using increasing numbers of their beds for observation care (which is reimbursed at a lower rate, or not at all, by payors). Page 25 of the Joint Annual Report has long been used by health planners to calculate "occupancy"; but this ignores the growing numbers of persons lying in hospital beds in observation status. They receive care. Their care is reimbursed at special rates by insurers. To ignore their use of bed resources is unacceptable for meaningful bed need planning. This current year, Skyline's occupancy on its medical-surgical beds calculated only on "admitted" patients is projected to be approximately 77%; but calculated rationally on both admitted and observation patients, it will exceed 88%.

Sources and Assumptions For the Utilization Table

Throughout the table, historical data is from hospital internal records. Projected data is based on the following methodologies.

1. Medical-surgical admissions increased an average of approximately 3.5% per year from 2012 through 2014. Based on annualizing Q1 2015, that 3.5% annual admissions increase is continuing. This application projects it will continue through Year Two (CY2017). Medical-surgical average length of stay (ALOS; or LOS) has been 5.3 days in Q1 2015 and that ALOS is projected to continue through Year Two. Medical-surgical observation days were approximately 15% of medical-surgical discharge days in CY2014; they are projected to hold at that same percentage through Year Two.

2. Q1 2015 admissions to ICU Beds filled ICU beds to 98% occupancy. Higher occupancy is not possible until six additional ICU beds (approved in a prior CON) come on line later in CY2015. The hospital projects a 7% jump in ICU admissions from CY2015 to Year One (CY2016) due to that expanded capacity. The hospital projects a 2% increase from Year One to Year Two (CY2017). Projected ALOS for ICU beds is assumed to remain at CY2014 and CY2015 levels.

3. CY2015 rehabilitation admissions are projected by annualizing Q1 2015 admissions. Thereafter, rehabilitation admissions are projected to increase 1% per year through Year Two. ALOS is projected to remain constant at Q1 2015 levels.

Table Ten: Skyline Medical Center Main Campus
Actual and Projected Licensed Bed Utilization, CY2012-2018

	Actual 2012	Actual 2013	Actual 2014	Projected 2015	Year One Projected 2016	Year Two Projected 2017
Total Beds	213	213	213	217	233	233
Admissions	9,798	10,033	10,935	11,444	11,933	12,274
Patient Days	52,352	55,814	59,826	65,196	66,259	68,046
ALOS on Admissions	5	5.6	5.5	6	6	6
ADC on Admissions	143.4	152.9	163.9	178.6	181.5	186.4
Occupancy on Admissions	67.3%	71.8%	77.0%	82.3%	77.9%	80.0%
23-Hour Observation Days	4,309	4,368	6,167	6,204	6,390	6,606
Total Bed Days	56,661	60,182	65,993	71,400	72,648	74,653
Total ADC	155.2	164.9	180.8	195.6	199.0	204.5
Total Occupancy	72.9%	77.4%	84.9%	90.1%	85.4%	87.8%
Medical-Surgical Beds	138	138	138	137	147	147
Admissions	6,483	6,569	6,978	7,220	7,473	7,734
Patient Days	31,770	33,398	36,150	38,440	39,785	41,178
ALOS on Admissions	4.9	5.1	5.2	5.3	5.3	5.3
ADC on Admissions	87.0	91.5	99.0	105.3	109.0	112.8
Occupancy on Admissions	63.1%	66.3%	71.8%	76.9%	74.2%	76.7%
23-Hour Observation Days	4,091	4,145	5,804	5,724	5,924	6,132
Total Bed Days	35,861	37,543	41,954	44,164	45,710	47,310
Total ADC	98.2	102.9	114.9	121.0	125.2	129.6
Total Occupancy	71.2%	74.5%	83.3%	88.3%	85.2%	88.2%
ICU Beds	34	34	34	39	45	45
Admissions	2,564	2,629	3,066	3,232	3,458	3,527
Patient Days	9,830	10,431	11,579	13,476	13,060	13,322
ALOS on Admissions	3.834	3.968	3.777	3.777	3.777	3.777
ADC on Admissions	26.9	28.6	31.7	36.9	35.8	36.5
Occupancy on Admissions	79.2%	84.1%	93.3%	94.7%	79.5%	81.1%
23-Hour Observation Days	218	223	363	480	465	474
Total Bed Days	10,048	10,654	11,942	13,956	13,526	13,796
Total ADC	27.5	29.2	32.7	38.2	37.1	37.8
Total Occupancy	81.0%	85.9%	96.2%	98.0%	82.3%	84.0%
Rehabilitation Beds	41	41	41	41	41	41
Admissions	751	835	891	992	1,002	1,012
Patient Days	10,752	11,985	12,097	13,280	13,413	13,547
ALOS on Admissions	14.317	14.353	13.577	13.387	13.387	13.387
ADC on Admissions	29.5	32.8	33.1	36.4	36.7	37.1
Occupancy on Admissions	71.8%	80.1%	80.8%	88.7%	89.6%	90.5%
23-Hour Observation Days	0	0	0	0	0	0
Total Bed Days	10,752	11,985	12,097	13,280	13,413	13,547
Total ADC	29.5	32.8	33.1	36.4	36.7	37.1
Total Occupancy	71.8%	80.1%	80.8%	88.7%	89.6%	90.5%

Source: Skyline management, 4-14-15

C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

- **ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST \$3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.**

- **THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.**

- **THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.**

- **FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.**

The architect's letter supporting the construction cost estimate is provided in Attachment C, Economic Feasibility--1. On the Project Costs Chart, following this response:

Line A.1, A&E fees, were estimated by the project architect.

Line A.2, legal, administrative, and consultant fees, include a contingency for additional expenses that may be incurred in the event of opposition before the Board.

Line A.5, construction cost, was calculated at approximately \$165.75 PSF renovation cost for both components of the project. The estimate was made by experienced local contractors.

Line A.8 includes both fixed and moveable equipment costs, estimated by the applicant's in-house consultants and corporate staff.

Line A.9 is an allowance for furnishings, decoration, and miscellaneous permits. It was estimated by HCA Corporate Design and Construction staff.

PROJECT COSTS CHART--SKYLINE MEDICAL CENTER BED TRANSFER

A. Construction and equipment acquired by purchase:

1. Architectural and Engineering Fees	\$ 30,000
2. Legal, Administrative, Consultant Fees (Excl CON Filing Fee)	20,000
3. Acquisition of Site	0
4. Preparation of Site	0
5. Construction Cost	600,000
6. Contingency Fund	30,000
7. Fixed Equipment (Not included in Construction Contract)	0
8. Moveable Equipment (List all equipment over \$50,000)	150,000
9. Other (Specify) _____	10,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	0
2. Building only	0
3. Land only	0
4. Equipment (Specify) _____	0
5. Other (Specify) _____	0

C. Financing Costs and Fees:

1. Interim Financing	0
2. Underwriting Costs	0
3. Reserve for One Year's Debt Service	0
4. Other (Specify) _____	0

D. Estimated Project Cost (A+B+C)

840,000

E. CON Filing Fee

3,000

F. Total Estimated Project Cost (D+E)

TOTAL \$ 843,000

Actual Capital Cost 843,000
Section B FMV 0

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

☐ **A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;**

☐ **B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;**

☐ **C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;**

☐ **D. Grants--Notification of Intent form for grant application or notice of grant award;**

☒ **E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or**

☐ **F. Other--Identify and document funding from all sources.**

The project will be funded by the applicant hospital's operating income and cash reserves. Documentation of financing is provided in Attachment C, Economic Feasibility--2.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

The estimated \$600,000 construction cost of the project is approximately \$165.75 per square foot, as shown in Table Three-A below.

Table Three-A: Construction Costs			
	Renovated Construction	New Construction	Total Project
Square Feet	3,620 SF (10 rooms)	0	3,620 SF (10 rooms)
Construction Cost	\$600,000	0	\$600,000
Constr. Cost PSF	\$165.75 PSF	0	\$165.75 PSF

This is reasonable in comparison to 2011-13 hospital construction projects approved by the HSDA, which had the following costs per SF. The project cost PSF is below the HSDA's median average. Table Three-B below shows the HSDA-calculated averages for hospital renovation projects approved by the HSDA over the past three years.

Table Three-B: Hospital Construction Cost Per Square Foot Applications Approved by the HSDA Years: 2011 – 2013			
	Renovation	New Construction	Total Construction
1st Quartile	\$107.15/sq ft	\$235.00/sq ft	\$151.56/sq ft
Median	\$179.00/sq ft	\$274.63/sq ft	\$227.88/sq ft
3rd Quartile	\$249.00/sq ft	\$324.00/sq ft	\$274.63/sq ft

Source: Health Services and Development Agency website

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

See the following pages for these charts, with notes where applicable.

For both the historic and projected charts, there is a “management fee” indicated to an affiliated company (HCA, the parent company). That does not indicate an actual management contract. It is the way HCA allocates its corporate expenses to all the hospitals comprising the company. It is estimated as a percent of net operating revenues,. The percent varies from year to year. Please see the notes page to the Projected Data Chart for the percentage used for projection purposes.

In the Projected Data Chart’s “Other” expenses, there is an item named Parallon. It is a recently organized, wholly owned subsidiary of HCA. It provides support services for the hospitals and allocates the costs of those services back to the hospitals. The services provided by Parallon include:

- All normal Business Office functions (billing, collections, cashiering, etc.)
- Central Scheduling
- Revenue Integrity (chart auditing, charge capture, charge master maintenance)
- Credentialing Functions
- Supply Chain--Materials Management, Accounts Payable & Warehouse
- Payroll functions
- Health Information Management (Medical Records) functions

HISTORICAL DATA CHART – SKYLINE MEDICAL CENTER, MAIN CAMPUS ONLY

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

		Year 2012	Year 2013	Year 2014
		9773	10024	10935
		52021	55811	59826
A.	Utilization Data			
	Admissions			
	Patient Days			
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$ 555,136,000	627,267,000	746,682,000
2.	Outpatient Services	306,638,000	339,750,000	402,452,000
3.	Emergency Services	66,953,000	78,427,000	105,430,000
4.	Other Operating Revenue	162,000	148,000	106,000
	(Specify) Space rental, catering, vending, misc other			
	Gross Operating Revenue	\$ 928,889,000	\$ 1,045,592,000	\$ 1,254,670,000
C.	Deductions for Operating Revenue			
1.	Contractual Adjustments	\$ 721,834,000	826,980,000	1,012,522,000
2.	Provision for Charity Care	10,433,000	13,526,000	12,580,000
3.	Provisions for Bad Debt	22,328,000	28,681,000	29,293,000
	Total Deductions	\$ 754,595,000	\$ 869,187,000	\$ 1,054,395,000
	NET OPERATING REVENUE	\$ 174,294,000	\$ 176,405,000	\$ 200,275,000
D.	Operating Expenses			
1.	Salaries and Wages	\$ 63,912,000	68,512,000	76,283,000
2.	Physicians Salaries and Wages	0	0	0
3.	Supplies	27,660,000	27,786,000	32,244,000
4.	Taxes	1,464,000	1,388,000	1,279,000
5.	Depreciation	5,036,000	5,335,000	6,093,000
6.	Rent	1,211,000	1,352,000	1,528,000
7.	Interest, other than Capital	(2,498,000)	(3,684,000)	(4,647,000)
8.	Management Fees	10,064,000	12,042,000	12,808,000
	a. Fees to Affiliates	10,064,000	12,042,000	12,808,000
	b. Fees to Non-Affiliates	0	0	0
9.	Other Expenses (Specify) See Attachment A	28,974,000	30,249,000	34,664,000
	Total Operating Expenses	\$ 135,823,000	142,980,000	160,252,000
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 38,471,000	\$ 33,425,000	\$ 40,023,000
F.	Capital Expenditures			
1.	Retirement of Principal	\$	\$	\$
2.	Interest			
	Total Capital Expenditures	\$ 0	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)			
	LESS CAPITAL EXPENDITURES	\$ 38,471,000	\$ 33,425,000	\$ 40,023,000

Skyline Medical Center
Historic Data Chart--Main Campus

D. (8) Other Expenses:	Year 2012	Year 2013	Year 2014
Professional Services	3,178,000	4,406,000	5,225,000
Contract Services	18,046,000	16,957,000	18,819,000
Repairs and Maintenance	3,160,000	3,610,000	4,273,000
Utilities	2,003,000	2,048,000	2,241,000
Insurance	685,000	761,000	1,093,000
Investment Income	0	0	0
Interest income & sale of assets	(7,000)	(32,000)	(70,000)
Legal and Accounting Services	113,000	124,000	323,000
Marketing Expenses	539,000	560,000	549,000
Postage	283,000	298,000	214,000
Travel and Entertainment	153,000	133,000	192,000
Dues and Subscriptions	100,000	154,000	145,000
Education and Development	25,000	210,000	282,000
Recruiting	271,000	568,000	703,000
Licenses, permits and software	425,000	452,000	675,000
	28,974,000	30,249,000	34,664,000

PROJECTED DATA CHART– SKYLINE MEDICAL CENTER, MAIN CAMPUS ONLY

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		CY2016	CY 2017
A. Utilization Data	Admissions	11,933	12,274
	Patient Days	66,259	68,046
B. Revenue from Services to Patients			
1. Inpatient Services		\$ 880,015,438	\$ 977,575,986
2. Outpatient Services		474,317,009	526,900,890
3. Emergency Services		124,256,414	138,031,767
4. Other Operating Revenue (Specify)	See notes page	115,674	118,980
	Gross Operating Revenue	\$ 1,478,704,535	\$ 1,642,627,624
C. Deductions for Operating Revenue			
1. Contractual Adjustments		\$ 1,205,909,484	\$ 1,352,801,593
2. Provision for Charity Care		14,982,728	16,807,777
3. Provisions for Bad Debt		34,887,841	39,137,537
	Total Deductions	\$ 1,255,780,053	\$ 1,408,746,907
NET OPERATING REVENUE		\$ 222,924,482	\$ 233,880,716
D. Operating Expenses			
1. Salaries and Wages		\$ 83,245,088	\$ 87,764,516
2. Physicians Salaries and Wages		0	0
3. Supplies		35,186,799	36,916,151
4. Taxes		1,395,730	1,449,971
5. Depreciation		6,649,087	6,907,484
6. Rent		1,667,455	1,732,256
7. Interest, other than Capital		(5,071,116)	(5,268,189)
8. Management Fees		13,976,942	14,520,114
a. Fees to Affiliates		13,976,942	14,520,114
b. Fees to Non-Affiliates		0	0
9. Other Expenses (Specify)	See notes page	37,827,665	39,297,722
	Dues, Utilities, Insurance, and Prop Taxes.		
	Total Operating Expenses	\$ 174,877,651	\$ 183,320,025
E. Other Revenue (Expenses) -- Net (Specify)		\$	\$
NET OPERATING INCOME (LOSS)		\$ 48,046,830	\$ 50,560,692
F. Capital Expenditures			
1. Retirement of Principal		\$	\$
2. Interest			
	Total Capital Expenditures	\$ 0	\$ 0
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES		\$ 48,046,830	\$ 50,560,692

PROJECTED DATA CHART-- SKYLINE MEDICAL CENTER MEDICAL-SURGICAL DEPARTMENT

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		CY 2016	CY 2017
	Admissions	7,473	7,734
A.	Utilization Data	39,785	41,178
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 539,645,829	\$ 599,863,234
2.	Outpatient Services		
3.	Emergency Services		
4.	Other Operating Revenue (Specify) <u>See notes page</u>		
	Gross Operating Revenue	\$ 539,645,829	\$ 599,863,234
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ 451,104,183	\$ 506,432,460
2.	Provision for Charity Care		
3.	Provisions for Bad Debt		
	Total Deductions	\$ 451,104,183	\$ 506,432,460
	NET OPERATING REVENUE	\$ 88,541,646	\$ 93,430,774
D.	Operating Expenses		
1.	Salaries and Wages	\$ 33,055,697	\$ 34,548,907
2.	Physicians Salaries and Wages	0	0
3.	Supplies	16,953,617	17,719,455
4.	Taxes	0	0
5.	Depreciation	0	0
6.	Rent	626,720	655,030
7.	Interest, other than Capital	0	0
8.	Management Fees	0	0
	a. Fees to Affiliates	0	0
	b. Fees to Non-Affiliates	0	0
9.	Other Expenses (Specify) <u>Attachment B</u>	14,945,939	15,621,085
	Dues, Utilities, Insurance, and Prop Taxes.		
	Total Operating Expenses	\$ 65,581,973	\$ 68,544,476
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 22,959,673	\$ 24,886,298
F.	Capital Expenditures		
1.	Retirement of Principal	\$	\$
2.	Interest		
	Total Capital Expenditures	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ 22,959,673	\$ 24,886,298

Skyline Medical Center
Notes to Other Expenses
Projection Charts

D. (8) Other Expenses:	2016		2017		2016		2017	
		Proj Main		Proj Main		Proj Med-surg		Proj Med-surg
Professional Services		5,701,868		5,923,454		2,252,842		2,354,609
Contract Services		20,536,546		21,334,636		8,114,113		8,480,648
Repairs and Maintenance		4,662,982		4,844,195		1,842,372		1,925,597
Utilities		2,445,528		2,540,566		966,243		1,009,891
Insurance		1,192,754		1,239,107		471,264		492,553
Investment Income		0		0		0		0
Interest income & sale of assets		(76,389)		(79,357)		(30,182)		(31,545)
Legal and Accounting Services		352,479		366,177		139,267		145,558
Marketing Expenses		599,105		622,388		236,710		247,403
Postage		233,531		242,607		92,270		96,438
Travel and Entertainment		209,523		217,666		82,784		86,523
Dues and Subscriptions		158,234		164,383		62,519		65,343
Education and Development		307,737		319,696		121,589		127,081
Recruiting		767,160		796,974		303,110		316,802
Licenses, permits and software		736,605		765,231		291,037		304,184
		37,827,665		39,297,722		14,945,939		15,621,085

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Eleven: Charges, Deductions, Net Charges, Net Operating Income Medical-Surgical Department		
	CY2016	CY2017
Admissions	7,473	7,734
Bed Days	39,785	41,178
Average Gross Charge Per Day	\$13,564	\$14,658
Average Gross Charge Per Admission	\$72,213	\$77,562
Average Deduction from Operating Revenue Per Day	\$11,339	\$12,299
Average Deduction from Operating Revenue Per Admiss.	\$60,365	\$65,481
Average Net Charge (Net Operating Revenue) Per Day	\$2,226	\$2,269
Average Net Charge (Net Operating Revenue) Per Admiss.	\$11,848	\$12,081
Average Net Operating Income after Expenses, Per Day	\$577	\$604
Average Net Operating Income after Expenses, Per Admiss.	\$3,072	\$3,218

Note: Bed Days include observation days in licensed beds.

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

The project's most frequent charges for medical-surgical admissions are shown in response to C(II).6.B below. The addition of the proposed beds will not affect any hospital charges. Medical-surgical units operate with a positive revenue margin, making it unnecessary to shift costs to other hospital services. The expanded department will have a positive revenue margin.

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

There is no publicly available data that enable the applicant's medical/surgical patient charges to be compared to those of other hospitals in the service area. Table Twelve on the following page compares the service area hospitals' total gross inpatient charges (revenues) per admission and per inpatient day.

Table Thirteen on the second following page shows the most frequent DRG's of Skyline's medical-surgical admissions, with their current Medicare reimbursement, and their projected Years One and Two utilization and average gross charges.

Table Twelve: Comparative Gross Charges for General Acute Care Hospitals in the Primary Service Area Skyline Medical Center							
	2013 Joint Annual Reports of Hospitals						
State ID	Facility Name	County	Total Gross Revenues*	Admissions	Days	Total Gross Revenues* Per IP Admission	Total Gross Revenues* Per IP Day
	Centennial Medical Center	Davidson	\$1,633,843,746	28,064	156,094	\$58,218.49	\$10,467.05
	Gateway Medical Center	Montgomery	\$380,471,988	9,804	36,609	\$38,807.83	\$10,392.85
	Hendersonville Medical Center	Sumner	\$241,043,436	5,828	20,567	\$41,359.55	\$11,719.91
	Metro Nashville General Hospital	Davidson	\$91,779,694	3,517	16,088	\$26,096.02	\$5,704.85
	Northcrest Medical Center	Robertson	\$64,371,507	3,230	13,916	\$19,929.26	\$4,625.72
	Saint Thomas Midtown Hospital (Baptist)	Davidson	\$823,839,816	24,105	110,408	\$34,177.13	\$7,461.78
	Saint Thomas West Hospital	Davidson	\$1,043,595,140	21,386	99,877	\$48,798.05	\$10,448.80
	Skyline Medical Center	Davidson	\$627,266,730	10,024	55,811	\$62,576.49	\$11,239.12
	Southern Hills Medical Center	Davidson	\$199,471,821	4,209	20,068	\$47,391.74	\$9,939.80
	Summit Medical Center	Davidson	\$466,903,878	10,636	43,122	\$43,898.45	\$10,827.51
	Sumner Regional Medical Center	Sumner	\$241,154,622	7,529	32,682	\$32,030.10	\$7,378.82
	University Medical Center (UMC)	Wilson	\$242,117,405	5,080	22,423	\$47,660.91	\$10,797.73
	Vanderbilt Medical Center	Davidson	\$3,105,554,497	53,957	298,505	\$57,556.10	\$10,403.69
	SERVICE AREA TOTALS		\$9,161,414,280	187,369	926,170	\$48,895.04	\$9,891.72

Source: Joint Annual Reports p. 18, total gross IP charges excluding newborns.

Note: Saint Thomas Hospital for Spinal Surgery did not report yet (7-11/14) and is excluded.

**Table Thirteen: Skyline Medical Center MedicalSurgical & Critical Care Departments
Most Frequent Admissions Diagnoses and Average Gross Charges
Current and Proposed**

CPT or DRG	Descriptor	Current Medicare Allowable	Average Gross Charge		
			Current Average	Year 1	Year 2
M/S					
470	Maj join rep/reat LE w/o M	\$ 12,484	\$61,911	\$66,864	\$72,213
65	IC hem or cereb inf w CC	\$ 6,680	\$51,517	\$55,638	\$60,089
690	Kidney/UTI wo MCC	\$ 5,104	\$29,545	\$31,909	\$34,461
392	Esoph, GE dig dis wo MCC	\$ 4,879	\$32,088	\$34,655	\$37,427
603	Cellulitis w/o MCC	\$ 5,465	\$24,592	\$26,559	\$28,684
190	Ch obst pulm dis w MCC	\$ 7,288	\$46,102	\$49,790	\$53,773
191	Ch obst pulm dis w CC	\$ 5,976	\$36,850	\$39,798	\$42,982
189	Pul edema/ resp failure	\$ 7,505	\$47,497	\$51,297	\$55,401
683	Renal failure w CC	\$ 6,054	\$35,192	\$38,007	\$41,048
871	SEPTI/SEPS WO MV96+HR WMCC	\$ 10,788	\$64,224	\$69,362	\$74,911
ICU/CCU					
64	IC hem or cereb inf w MCC	\$ 10,406	\$93,655	\$101,147	\$109,239
871	SEPTI/SEPS WO MV96+HR WMCC	\$ 10,788	\$91,231	\$98,529	\$106,412
65	IC hem or cereb inf w CC	\$ 6,680	\$68,749	\$74,249	\$80,189
917	Pois/tox eff of drug w MCC	\$ 8,564	\$78,101	\$84,349	\$91,097
208	Resp sys dx w vent <96	\$ 13,497	\$96,877	\$104,627	\$112,997
247	Perc CV px w DE stnt woMCC	\$ 12,179	\$84,911	\$91,704	\$99,040
918	Pois/tox eff of drug wo CC	\$ 4,340	\$25,778	\$27,840	\$30,067
100	Seizures w MCC	\$ 9,257	\$93,945	\$101,461	\$109,577
87	Trau stupor/coma <1hr wo	\$ 4,919	\$36,379	\$39,289	\$42,432
638	Diabetes w CC	\$ 5,362	\$33,975	\$36,693	\$39,628

Source: Hospital Management

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

The Projected Data Chart and charge information in the application demonstrate that the medical-surgical beds of this hospital will be cost-effective, and will operate with a positive financial margin.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

The proposed expanded medical-surgical beds will be sufficiently utilized in their first two years to operate with a positive financial margin. Cash flow is positive and will remain so.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

Skyline Medical Center serves all of the groups listed above. Skyline projects hospital-wide charity at approximately 1% of gross revenues; and Medicare and TennCare/Medicaid at a combined 65% of services.

Table Fourteen: Medicare and TennCare/Medicaid Gross Revenues, Year One Skyline Medical Center		
	Medicare	TennCare/Medicaid
Gross Patient Revenue	\$754,080,319	\$207,002,441
Percent of Gross Pat. Revenue	51%	14%

Source: Hospital management

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II).11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

The project requires no new construction. It will be done entirely by renovation. With respect to alternatives, there is no alternative way to make acute care beds more accessible to the northern sectors of the greater Nashville area. No other hospital on the north side of the urban area will be a designated Trauma Center, or offers an advanced Neuosciences program.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

Following are the facilities which Skyline most frequently utilizes in its discharge planning:

Skilled Nursing--Creekside Health and Rehabilitation Center, Grace Healthcare of Whites Creek, Vanco Manor Nursing and Rehabilitation Center, Greenhills Health and Rehabilitation Center, West Meade Place, the Bridge at Highland, LifeCare Center of Old Hickory, and NHC of Hendersonville.

Hospice- Alive Hospice, Odyssey, Avalon, Asera Care

Home Health- Suncrest, Gentevia, and Amedysis Home Health Care of Middle TN, NHC Home Care, WillowBrook Home Care, CareSouth

Home Infusion- Walgreens, Amerita, Coram

DME- Medical Necessities, At Home Medical, Apria, Aerocare, Oxycare of TN

Skyline Medical Center is fully contracted with all available TennCare MCO's in the Middle Tennessee Region. They are as follows:

Table One (Repeated): Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	Applicant's Relationship
Available TennCare MCO's	Applicant's Relationship
AmeriGroup	contracted
United Healthcare Community Plan	contracted
Bluecare	contracted

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

The project will improve local patients' accessibility to medical-surgical beds at a major acute care and emergency care resource for communities and travelers on the northeast to northwest sides of the Nashville urban area. A very large medical community, delivering very high acuity services, has developed at Skyline to serve these areas between downtown Nashville and Kentucky. Skyline's medical-surgical beds are often full now. When that happens, patients waiting a room assignment are backed up in the ED or in surgical Recovery in holding status, which in turn stresses hospital staff, frustrates patients in need of timely care, and impedes the productivity of the medical staff. So the effects of this proposed 10-bed transfer to the main campus, opening up all the additional capacity that can be opened quickly, will be very beneficial to patient care. It is difficult to see how this relocation of the applicant's own licensed beds, within the same county, could adversely affect other acute care providers' utilization.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Please see the following page for Table Sixteen, showing projected FTE's and salary ranges for both units.

The Department of Labor and Workforce Development website indicates the following Nashville urban area salary information for the clinical staff positions in this project:

Table Fifteen: TDOL Surveyed Average Salaries for the Region				
Position	Entry Level	Median	Mean	Experienced
RN	\$44,710	\$58,060	\$58,260	\$65,040

**Table Sixteen: Skyline Medical Center--Main Campus
Current and Projected Staffing
Medical-Surgical Department**

Position Type (RN, etc.)	Current FTE's	Year One FTE's	Year Two FTE's	Annual Salary Range
Medical-Surgical Department				
Director	4	4	4	\$110,000-\$130,000
RNs	140	148.4	148.4	\$50,000 - \$70,000
Techs	2.2	2.2	2.2	\$20,000 - \$30,000
Unit Secretary	8.8	9.8	9.8	\$20,000 - \$30,000
Total FTE's	155	164.4	164.4	

Source: Hospital Management

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

TriStar anticipates no difficulties in attracting the small increment of nursing staff needed to serve patients in these proposed ICU and medical-surgical beds.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

TriStar Skyline Medical Center is a clinical rotation site for numerous students in the health professions. The institutions with which Skyline has student affiliation agreements include the following:

Aquinas College
Argosy College
Austin Peay State University
Belmont University
Bethel College
Breckinridge
Columbia State Community College
Cumberland University
East TN State University
Emory University
Fortis Institute
Lipscomb University
Miller-Motte
Middle TN School of Anesthesia
Middle TN State University
Southeastern Institute
Nashville State Technical College
TN State University
Union University
University of TN at Memphis
Vanderbilt University
Volunteer State Community College
Western Kentucky

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE: Board for Licensure of Healthcare Facilities
Tennessee Department of Health

CERTIFICATION: Medicare Certification from CMS
TennCare Certification from TDH

ACCREDITATION: The Joint Commission: Hospital
Comprehensive Stroke Center

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission. It was recognized by the Commission in CY2014 as a Top Performer in Key Quality Measures.

Skyline received an "A" safety score from the Leapfrog Group, and in 2013 was in Truven Analytics' "Top 100 Hospitals" list based on high quality outcomes and patient satisfaction. Skyline was the first Tennessee hospital to earn Comprehensive Stroke Center Certification from the Joint Commission. It offers Middle Tennessee's only CARF-accredited (Commission on Accreditation of Rehabilitation Facilities) inpatient rehabilitation program in Middle Tennessee, and is one of only eight CARF-accredited programs Statewide. It is accredited by the Commission on Cancer and was the 2012 recipient of the COC's Outstanding Achievement Award. Skyline's Chest Pain Center is accredited by the Society of Chest Pain Centers

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and/or the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C). Skyline Medical Center is also a Joint Commission-accredited Comprehensive Stroke Center.

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

July 22, 2015

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	8	8-1-15
2. Construction documents approved by TDH	68	10-1-15
3. Construction contract signed	75	10-8-15
4. Building permit secured	82	10-15-15
5. Site preparation completed	na	na
6. Building construction commenced	97	11-1-15
7. Construction 40% complete	118	11-22-15
8. Construction 80% complete	139	12-12-15
9. Construction 100% complete	149	12-22-15
10. * Issuance of license (occupancy approval)	159	12-30-15
11. *Initiation of service	160	1-1-16
12. Final architectural certification of payment	220	3-1-16
13. Final Project Report Form (HF0055)	280	5-1-16

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INDEX OF ATTACHMENTS

A.4	Ownership--Legal Entity and Organization Chart (if applicable)
A.6	Site Control
B.III.	Plot Plan
B.IV.	Floor Plan
C, Need--3	Service Area Maps
C, Economic Feasibility--1	Documentation of Construction Cost Estimate
C, Economic Feasibility--2	Documentation of Availability of Funding
C, Economic Feasibility--10	Financial Statements
C, Orderly Development--7(C)	Licensing & Accreditation Inspections
Miscellaneous Information	TennCare Enrollment, Service Area U.S. Census QuickFacts Data, Service Area

A.4--Ownership Legal Entity and Organization Chart

Board for Licensing Health Care Facilities



State of Tennessee

DEPARTMENT OF HEALTH

This is to certify, that a license is hereby granted by the State Department of Health to

HTI MEMORIAL HOSPITAL CORPORATION
to conduct and maintain a

Hospital

TRISTAR SKYLINE MEDICAL CENTER

Located at

3441 DICKERSON PIKE, NASHVILLE

Country of

DAVIDSON

Tennessee.

This license shall expire JULY 01 2015, *and is subject to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.*

In Witness Whereof, we have hereunto set our hand and seal of the State this 1ST day of JULY, 2014.

In the Distinct Category(ies) of:



5

Valent J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

福

W. C. C. C.

.....

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Business Information Search

As of March 18, 2014 we have processed all corporate filings received in our office through March 16, 2014 and all annual reports received in our office through March 16, 2014.

Click on the underlined control number of the entity in the search results list to proceed to the detail page. From the detail page you can verify the entity displayed is correct (review addresses and business details) and select from the available entity actions - file an annual report, obtain a certificate of existence, file an amendment, etc.

1-1 of 1

Search:

Search Name: ☒ Starts With ☐ Contains

Control #:

Active Entities Only: ☐

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000273093</u>	CORP	HTI MEMORIAL HOSPITAL CORPORATION TENNESSEE	Entity	Active	12/06/1993	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by [Clicking Here](#).

[Click Here](#) for information on the Business Services Online Search logic.

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Search: 1-2 of 2

Search Name:

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Control #:

Active Entities Only: ☐

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000191308</u>	CORP	HEALTHTRUST, INC. - THE HOSPITAL COMPANY TENNESSEE	Entity	Active	07/09/1987	Active
<u>000191382</u>	CORP	HEALTHTRUST, INC. - THE HOSPITAL COMPANY DELAWARE	Entity	Active	07/13/1987	Active

1-2 of 2

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1-2 of 2

Search:

Search Name: ☒ Starts With ☐ Contains

Control #:

Active Entities Only: ☐

Search

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000280381</u>	CORP	HCA INC. DELAWARE	Entity	Active	06/14/1994	Active
<u>000168485</u>	CORP	HCA, INC. TENNESSEE	Entity	Inactive - Name Changed	02/20/1986	Active

1-2 of 2

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Search:
1-1 of 1

Search Name:

☒ Starts With ☐ Contains

Control #:

Active Entities Only: ☐

Search

Control #	Entity Type	Name	Name Type	Name Status	Entity Filing Date	Entity Status
<u>000645183</u>	CORP	HCA Holdings, Inc. DELAWARE	Entity	Active	11/24/2010	Active

1-1 of 1

Information about individual business entities can be queried, viewed and printed using this search tool for free.

If you want to get an electronic file of all business entities in the database, the full database can be downloaded for a fee by [Clicking Here](#).

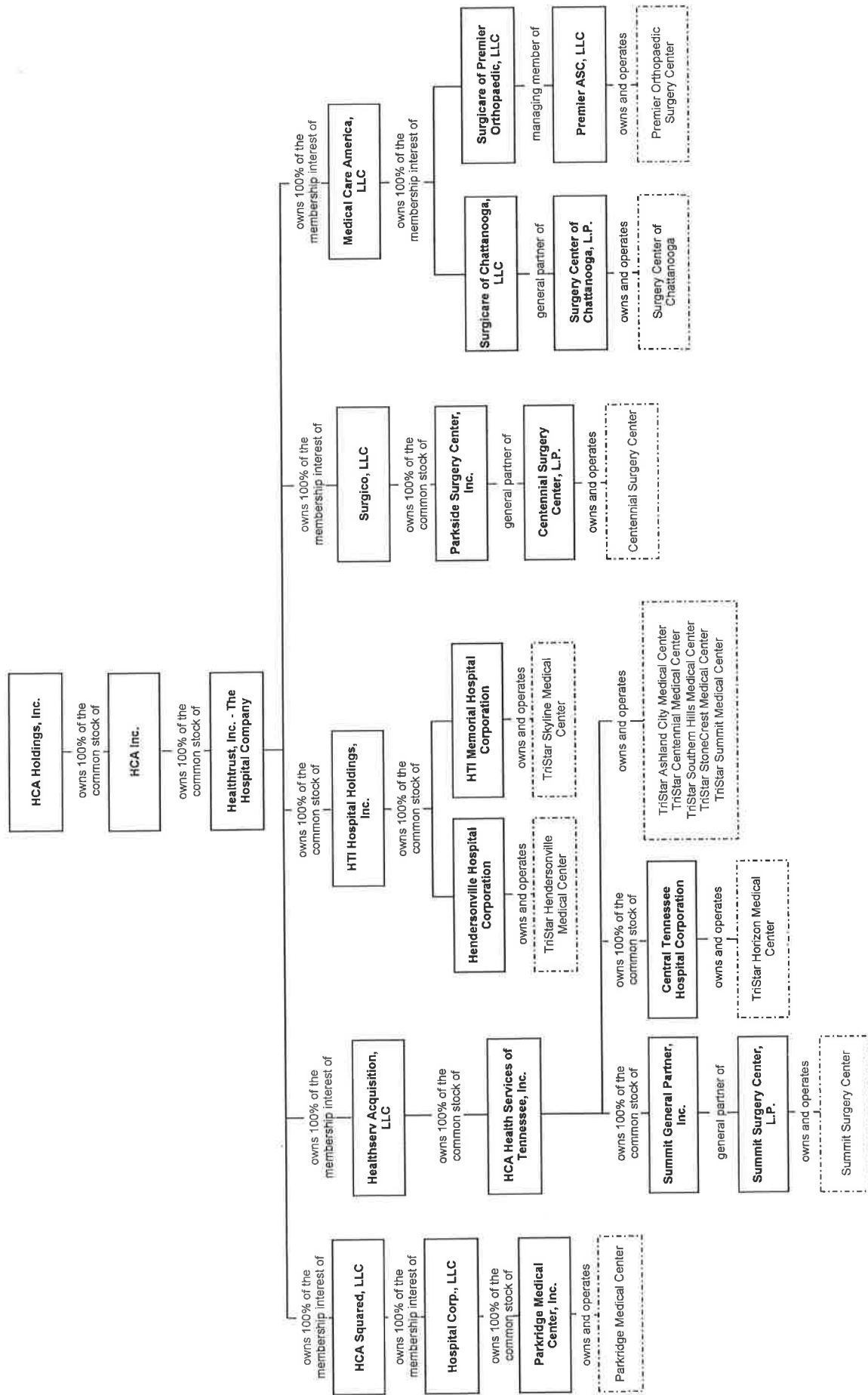
[Click Here](#) for information on the Business Services Online Search logic.

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**HCA FACILITIES IN TENNESSEE
DECEMBER 2014**

HOSPITALS AND HOSPITAL AFFILIATES

TriStar Ashland City Medical Center
313 North Main Street
Ashland City, TN 37015
615-792-3030

TriStar Centennial Medical Center
2300 Patterson Street
Nashville, TN 37203
615-342-1040

Parthenon Pavilion
2401 Parman Place

Sarah Cannon Cancer Center
250 25th Ave. North

Sarah Cannon Research Institute
3522 West End Avenue

The Children's Hospital at TriStar Centennial Medical Center
222 Murphy Avenue

TriStar Centennial Emergency Room at Spring Hill
3001 Reserve Blvd.
Spring Hill, TN 37174

TriStar Hendersonville Medical Center
355 New Shackle Island Road
Hendersonville, TN 37075
615-338-1102

TriStar Portland Emergency Room
105 Redbud Drive
Portland, TN 37148

TriStar Horizon Medical Center
111 Highway 70 East
Dickson, TN 37055
615-441-2357

Natchez Imaging
101 Natchez Park Drive

Radiation Oncology @ SCCC
105 Natchez Park Drive

Tennessee Oncology@ SCCC
103 Natchez Park Drive

TriStar Parkridge Medical Center
2333 McCallie Avenue
Chattanooga, TN 37404
423-493-1772

TriStar Parkridge East Hospital
941 Spring Creek Road
Chattanooga, TN 37412
423-855-3500

TriStar Parkridge West Medical Center
1000 Tn Highway 28
Jasper, TN 37247

TriStar Parkridge Valley Hospital
200 Morris Hill Road
Chattanooga, TN 37421
423-499-1204

TriStar Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207
615-769-7114

TriStar Skyline Madison Campus
500 Hospital Drive
Madison, TN 37115
615-860-6301

TriStar Southern Hills Medical Center
391 Wallace Road
Nashville, TN 37211
615-781-4000

TriStar StoneCrest Medical Center
200 StoneCrest Blvd.
Smyrna, TN 37167
615-768-2508

TriStar Summit Surgery Center
3901 Central Pike
Suite 152
Hermitage, TN 37076
615-391-7200

OTHER FACILITIES

Centennial Surgery Center
345 23rd Avenue North, Suite 201
Nashville, TN 37203
615-327-1123

Premier Orthopedics Surgery Center
394 Harding Place
Suite 100
Nashville, TN 37211
615-332-3600

TriStar Summit Medical Center
5655 Frist Blvd.
Hermitage, TN 37076
615-316-4902

Surgery Center of Chattanooga
400 North Holtzclaw Avenue
Chattanooga, TN 37404
423-698-6871

Secretary of State

Corporations Section

as K. Polk Building, Suite 1800
Nashville, Tennessee 37243-0306

DATE: 12/06/93
REQUEST NUMBER: 2762-1907
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 12/06/93 0916
EFFECTIVE DATE/TIME: 12/06/93 0916
CONTROL NUMBER: 0273093

TO:
HEALTH TRUST INC.
JULIA TROTTER
525 NARDING ROAD
NASHVILLE, TN 37205

BOOK 9358 PAGE 811

RE:
HTI MEMORIAL HOSPITAL CORPORATION
CHARTER - FOR PROFIT

CONGRATULATIONS UPON THE INCORPORATION OF THE ABOVE ENTITY IN THE STATE OF TENNESSEE, WHICH IS EFFECTIVE AS INDICATED.

A CORPORATION ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE CORPORATION'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH THE WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE CORPORATION AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE CORPORATION TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE CORPORATION CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A CORPORATION HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

MAILED.

94 MAY 27 AM 10:01
FELIX Z. WILSON, JR. REGISTER
DAVIDSON COUNTY, TN.

IDENTIFICATION & REFERENCE

54764

FOR: CHARTER - FOR PROFIT

FROM:
HEALTHTRUST INC (PO BOX 24350)
PO BOX 24350
NASHVILLE, TN 37202-0000

1187 05/27 0101 03CHECK

ON DATE: 11/30/93
RECEIVED: FEE \$50.00 TAX \$50.00
TOTAL PAYMENT: \$100.00
RECEIPT NUMBER: 00001574747
ACCOUNT NUMBER: 00002223

Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE



FILED

ST.

ARTICLES OF INCORPORATION OF

HTI MEMORIAL HOSPITAL CORPORATION 1993 DEC -6 AM 9:16 BOOK 9358 PAGE 812

FILED
SECRETARY OF STATE

I

The name of this Corporation is HTI Memorial Hospital Corporation.

II.

The principal office of the Corporation in the State of Tennessee is: 4525 Harding Road, Nashville, Tennessee 37205.

III

The period of duration shall be perpetual.

VI

The address of the registered office of the Corporation in the State of Tennessee is 530 Gay Street, in the City of Knoxville, County of Knox. The name of its registered agent at that address is CT Corporation System.

V

The purpose of the Corporation is to engage in any lawful act or activity for which a Corporation may be organized under the Tennessee Business Corporation Act.

VI

The Corporation has authority to issue One Thousand (1,000) shares of Common Capital Stock. The par value of such shares is One Dollar (\$1.00) per share. All shares shall be of one class.

VII

Shareholders shall not have preemptive rights.

VIII

The name and mailing address of the sole incorporator of the Corporation is: Philip D. Wheeler, 4525 Harding Road, Nashville, Tennessee 37205.

Dated: December 3, 1993.

Philip D. Wheeler
Philip D. Wheeler
Incorporator

A.6--Site Control

FD 12
J.L.R.

QUITCLAIM DEED

Instr: 200005240052156 Page: 1 OF 6
REC'D FOR REC 05/24/2000 4:08:01PM
RECORD FEE: \$25.00
M. TAX: \$0.00 T. TAX: \$0.00

Address New Owner as Follows:
The Health and Educational Facilities
Board of the Metropolitan
Government of Nashville and
Davidson County, Tennessee
c/o Stokes & Bartholomew, P.A.
Third National Financial Center
Suite 2800

Send Tax Bills To:

Map-Parcel No.
Map 50; Parcels
77 and 79
Map 51; Parcel 22

Nashville, Tennessee 37219

This instrument prepared by: WALLER LANSDEN DORTCH & DAVIS, A Professional Limited
Liability Company, 511 Union Street, Suite 2100, Nashville, Tennessee 37219-1760

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

The recording of this instrument is exempt from Tennessee recording tax pursuant
to T.C.A. § 67-4-409(f).

Stephens Meyer
Chairman, The Health and Educational
Facilities Board of The Metropolitan Government
of Nashville and Davidson County
Affiant

Subscribed and sworn to before me, this 23rd day of May, 2000

Nancy Sheppard
NOTARY PUBLIC
DAVIDSON COUNTY, TENN.

My Commission Expires: 1-25-2003

FOR AND IN CONSIDERATION of Ten Dollars (\$10.00), and other good and
valuable consideration, HTI Memorial Hospital Corporation, a Tennessee corporation, The Health
and Educational Facilities Board of the Metropolitan Government of Nashville and Davidson
County, Tennessee, a public not-for-profit corporation ("Grantor"), by its presents, does hereby
quitclaim and convey unto The Health and Educational Facilities Board of the Metropolitan
Government of Nashville and Davidson County, Tennessee, a public not-for-profit corporation,
("Grantee"), its successors and assigns, all of its right, title and interest, in and to the following
described land in Davidson County, Tennessee:

TRACT NO. I:

A tract of land in the Fourth Councilmanic District, Metropolitan Nashville, Davidson County,
Tennessee, being Parcel 77 on Tax Map 50 and being more particularly described as follows:

Beginning at an existing iron pin at the intersection of the easterly right-of-way line of Dickerson
Pike, U.S. 41-31-W, and the northerly right-of-way line of Briley Parkway, S.R. 155; thence,

1. With the easterly right-of-way line of Dickerson Pike, N 14° 00' 02" E, 200.02 feet to an
540842.1

existing iron pin, corner of Parcel 79 Tax Map 50; thence,

2. With Parcel 79, S 82° 17' 33" E, 199.95 feet to an existing iron pin; thence,
3. S 14° 16' 08" W, 200.03 feet to an existing iron pin on the northerly right-of-way line of Briley Parkway; thence,
4. With the northerly right-of-way line of Briley Parkway, N 82° 19' 04" W, 199.02 feet to the point of beginning and containing 39,650 square feet or 0.910 acres.

TRACT NO. II:

A tract of land in the Fourth Councilmanic District of Metropolitan Nashville, Davidson County, Tennessee, lying to the east of Dickerson Pike (U.S. Highway 31-W, U.S. Highway 41 and State Route 11), north of Briley Parkway (State Route 155), west of Interstate Highway 65, and south of Old Due West Avenue and being more particularly described as follows:

Beginning at an existing iron pin on the easterly right-of-way margin of Dickerson Pike, a 115-foot right-of-way at the common westerly property corner between a tract of land deeded to HCA Health Services of Tennessee, Inc. as of record in Book 10750, Page 479 R.O.D.C., Tennessee and a tract of land deeded to Nashville/Music City Land Fund, L.P. as of record in Book 7356, Page 156 R.O.D.C., Tennessee; thence,

1. Northeastwardly with said right-of-way line and non-tangent curve to the left having a radius of 2940.00 feet, for an arc distance of 667.55 feet to an existing iron pin in the southwesterly property line of Terry Denny, et al property, of record in Book 9963, Page 602, R.O.D.C., Tennessee; said curve has a chord bearing and distance of N 07° 8' 22" E, 666.12 feet; thence,
2. Leaving the easterly right-of-way margin of said Dickerson Pike with the southerly property lines of said Terry Denny property, S 84° 04' 05" E, 551.98 feet to an existing iron pin; thence,
3. N 06° 49' 41" E, 318.18 feet to an existing iron pin at the southwesterly property corner of Horace Brown Goodrich of record in Book 7454, Page 103, R.O.D.C., Tennessee; thence,
4. With said Goodrich property and the Goodrich property in Book 4235, Page 372, R.O.D.C., Tennessee, S 82° 20' 53" E, 670.48 feet to an existing iron pin; thence,
5. N 06° 34' 48" E, 622.16 feet to an existing iron pin at the southwesterly property corner of Battle Ground Academy property of record in Book 4563, Page 358, R.O.D.C., Tennessee; thence,
6. With the property lines of said Battle Ground Academy property, S 81° 16' 36" E, 603.35 feet to an existing iron pin; thence,
7. N 18° 19' 56" W, 546.60 feet to an existing iron pin; thence,

540842.1

8. N 20° 09' 52" E, 292.33 feet to an existing P.K. Nail in the centerline of Old Due West Avenue, a 50-foot right-of-way; thence,
9. Southeasterly, with the centerline of said Old Due West Avenue, a curve to the right with a radius of 108.28 feet, for an arc distance of 6.60 feet to an existing P.K. Nail; said curve has a chord bearing and distance of S 71° 52' 04" E, 6.60 feet; thence,
10. With a non-tangent line, S 70° 14' 20" E, 229.20 feet to an existing P.K. Nail; thence,
11. With a curve to the right having a radius of 276.25 feet, for an arc distance of 119.93 feet to an existing P.K. Nail; said curve has a chord bearing and distance of S 57° 48' 07" E, 118.99 feet; thence,
12. With a non-tangent line, S 45° 21' 54" E, 51.92 feet to an existing P.K. Nail; thence,
13. With a non-tangent curve to the left having a radius of 366.13 feet, for an arc distance of 12.11 feet to a P.K. Nail (set), said curve has a chord bearing and distance of S 46° 18' 44" E, 12.11 feet; thence,
14. Leaving said centerline, with a new line S 42° 44' 26" W, 25.00 feet to an iron pin (set) on the southerly margin of Old Due West Avenue; thence,
15. Leaving said margin, southeastwardly, with a 30.00 foot radius curve to the right having an arc distance of 28.30 feet to an iron pin (set). Said curve has a chord bearing and distance of S 20° 14' 07" E, 27.26 feet; thence,
16. S 06° 47' 21" W, 472.06 feet to an iron pin (set); thence,
17. With a 60.00 foot radius curve to the right, having an arc distance of 65.68 feet to an iron pin (set). Said curve has a chord bearing and distance of S 38° 08' 58" W, 62.45 feet; thence,
18. With a 60.00 foot radius curve to the left, having an arc distance of 159.93 feet to an iron pin (set). Said curve has a chord bearing and distance of S 06° 51' 02" E, 116.62 feet; thence,
19. S 83° 12' 39" E, 25.00 feet to an iron pin (set); thence,
20. S 06° 47' 21" W, 134.79 feet to an iron pin (set); thence,
21. S 83° 12' 39" E, 40.00 feet to an iron pin (set) in the westerly property line of a tract of land deeded to the Metropolitan Government of Nashville and Davidson County as of record in Deed Book 3702, Page 609 R.O.D.C., Tennessee; thence,
22. With said westerly property line, in part, S 06° 47' 21" W, 445.96 feet to an existing iron pin; thence,

23. With the southerly property line of the Metropolitan Government of Nashville and Davidson County tract, S 81° 27' 34" E, 456.14 feet to an iron pin (set) on the northerly right-of-way margin of Interstate Highway 65; thence,
24. With the northerly right-of-way margin of said Interstate Highway 65, S 47° 22' 44" W, passing an existing concrete highway monument at 2.43 feet, for a total distance of 471.08 feet to an iron pin set; thence,
25. S 80° 29' 53" W, 193.48 feet to an existing concrete highway monument; thence,
26. S 48° 45' 14" W, 139.33 feet to an existing iron pin; thence,
27. S 74° 13' 19" W, 362.39 feet to an existing iron pin; thence,
28. N 86° 06' 07" W, 194.53 feet to an existing concrete highway monument; thence
29. S 86° 04' 53" W, 251.10 feet to an existing concrete highway monument; thence,
30. S 82° 39' 14" W, 223.35 feet to an iron pin set; thence,
31. S 73° 13' 10" W, 290.25 feet to an existing concrete highway monument; thence,
32. S 55° 46' 15" W, 432.70 feet to an iron pin set; thence,
33. N 06° 08' 26" E, 17.20 feet to an existing concrete highway monument; thence,
34. N 82° 20' 52" W, 221.50 feet to an existing iron pipe at the southeasterly property corner of said HCA Health Services of Tennessee, Inc. property; thence,
35. With the easterly property line of the HCA Health Services of Tennessee, Inc. tract, N 14° 32' 00" E, 201.17 feet to an existing iron pin; thence,
36. With the northerly property line of the HCA Health Services of Tennessee, Inc. tract, N 82° 17' 48" W, 199.86 feet to the Point of Beginning and containing 2,487,041 square feet or 57.0946 acres, more or less as calculated by the above courses.

TRACT NOS. I and II being the same property conveyed to HTI Memorial Hospital Corporation, a Tennessee corporation, by deed from HCA Health Services of Tennessee, Inc., a Tennessee corporation, of record in Book 11610, page 681, said Register's Office.

TRACT NO. III:

A tract of land in the Fourth Councilmanic District of Metropolitan Nashville, Davidson County, Tennessee, being a portion of Parcel 22 as shown on Davidson County Property Map No. 51 and being more particularly described as follows:

BEGINNING at an iron pin (set) in the common property line between a tract of land deeded to Nashville/Music City Land Fund, L.P. as of record in Book 7356, page 156, said Register's Office,

540842.1

and a tract of land deeded to the Metropolitan Government of Nashville and Davidson County, Tennessee; as of record in Book 3702, page 609, said Register's Office, said iron pin being S 06° 47' 21" W, 818.57 feet from the south margin of Old Due West Avenue; thence,

1. Leaving said common line, with a new line, S 76° 43' 50" E, 104.05 feet to an iron pin (set); thence,
2. N 59° 48' 02" E, 128.47 feet to an iron pin (set); thence,
3. N 54° 44' 55" E, 88.43 feet to an iron pin (set); thence,
4. S 30° 45' 09" E, 169.04 feet to an iron pin (set); thence,
5. S 58° 48' 51" E, 55.72 feet to an iron pin (set); thence,
6. N 88° 26' 50" E, 40.79 feet to an iron pin (set); thence,
7. S 08° 32' 26" W, 371.39 feet to an iron pin (set) in the common property line between Nashville/Music City Land Fund, L.P. and the Metropolitan Government of Nashville and Davidson County; thence,
8. With said common line, N 81° 27' 34", 454.64 feet to an existing iron pin; thence,
9. N 06° 47' 21" E, 383.68 feet to POINT OF BEGINNING and containing 192,035 square feet or 4.4085 acres, more or less, as calculated by the above courses.

TRACT NO. III being the same property conveyed to HTI Memorial Hospital Corporation, a Tennessee corporation, by deed from The Metropolitan Government of Nashville and Davidson County, Tennessee, of record as Instrument No. 200002090013279, said Register's Office.

IN WITNESS WHEREOF, Grantor has executed this instrument on the 23rd day of May, 2000.

HTI MEMORIAL HOSPITAL
CORPORATION, a Tennessee corporation

BY: R. Miller
TITLE: Vice President

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Before me, the undersigned, a Notary Public in and for the County and State aforesaid, personally appeared R. Milton Johnson, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who upon oath acknowledged himself to be the Vice President of HTI Memorial Hospital Corporation, the within named bargainer, a Tennessee corporation, and that he as such Vice President being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by himself as Vice President

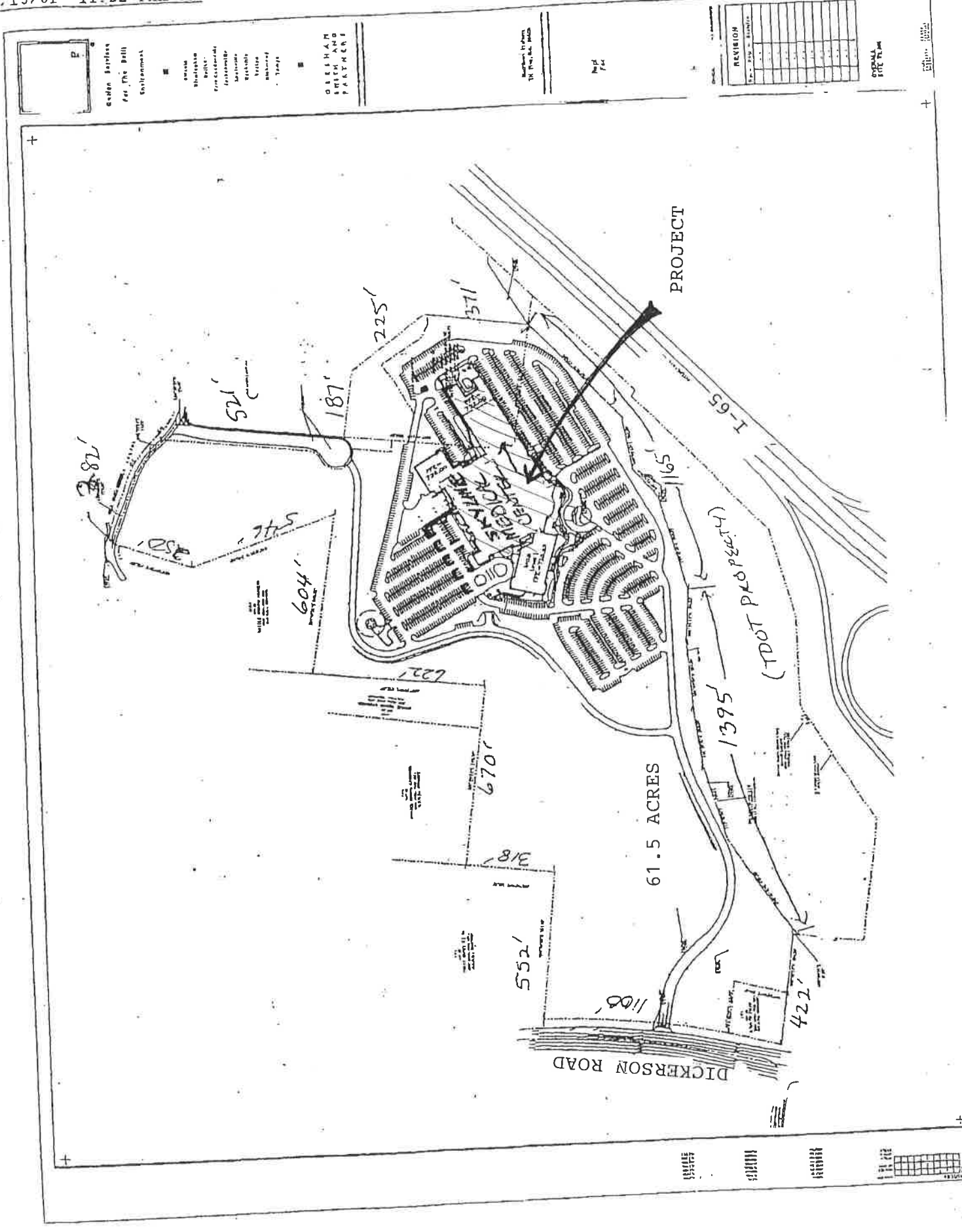
Witness my hand and seal, at office in Nashville, Tennessee, this the 22nd day of May, 2000.

Melinda S. Lampkin
NOTARY PUBLIC

My Commission Expires: July 27, 2002



B.III.--Plot Plan



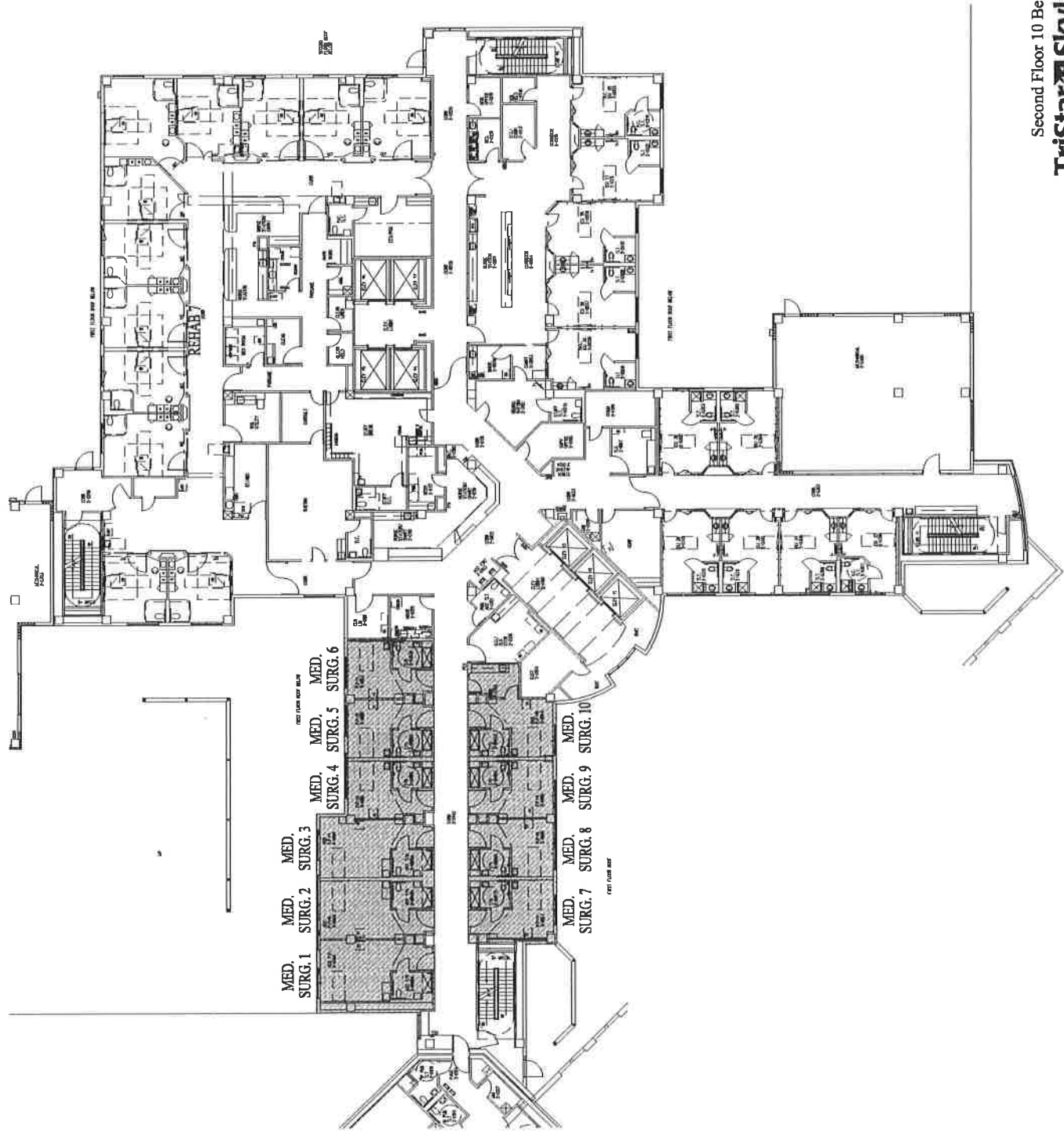
REVISION	
NO.	DATE
1	10/13/01
2	10/13/01
3	10/13/01
4	10/13/01
5	10/13/01
6	10/13/01
7	10/13/01
8	10/13/01
9	10/13/01
10	10/13/01

GREENHAM CITIES & VILLAGES

10/13/01

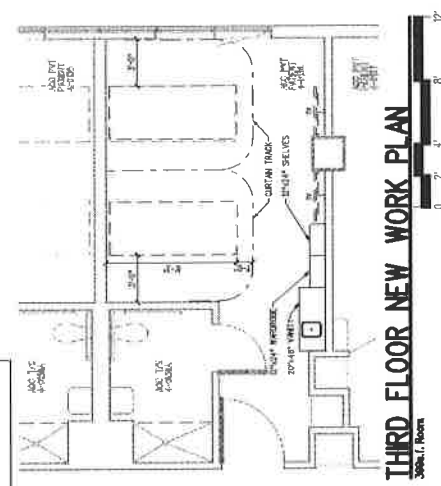
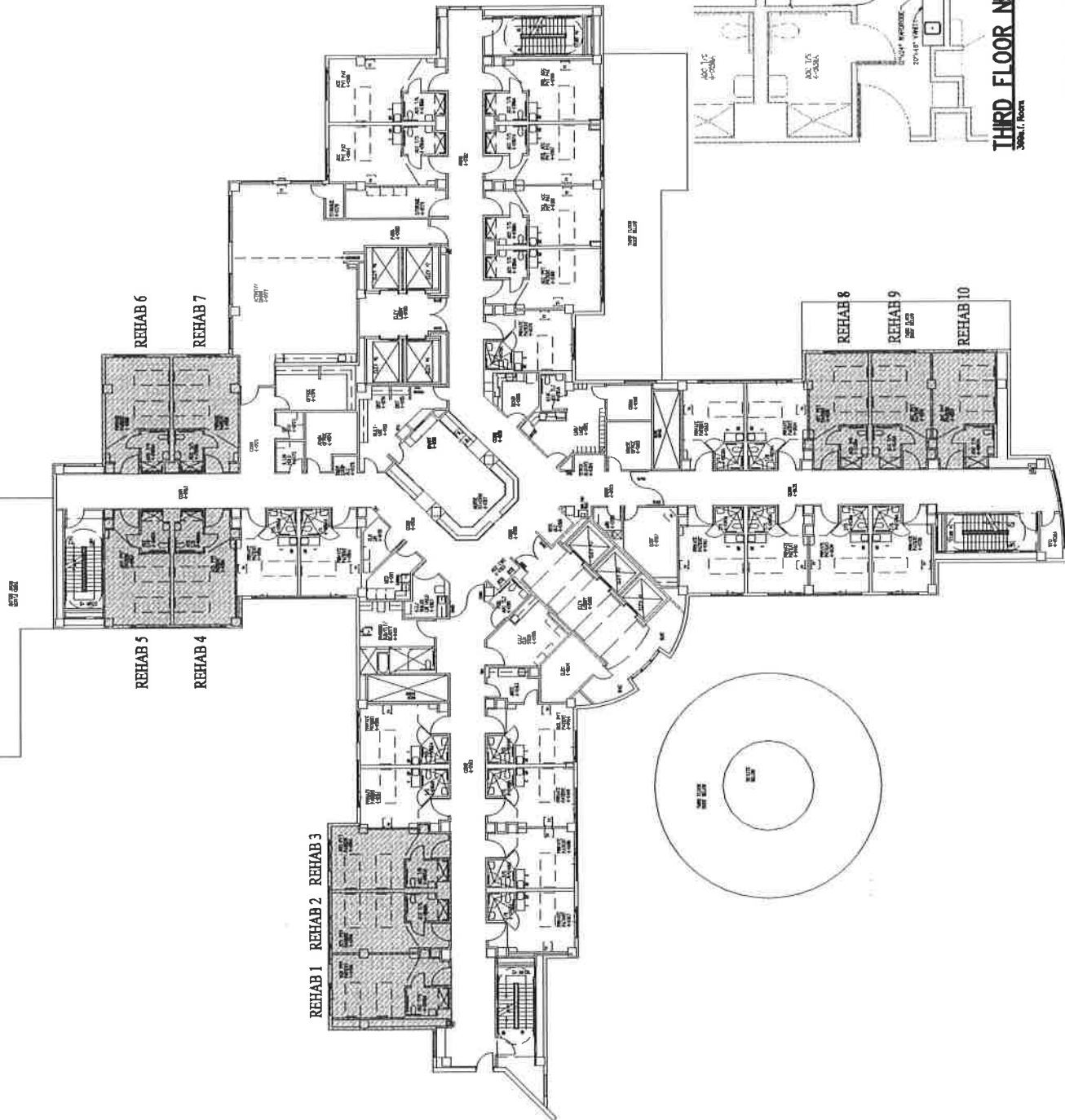
B.IV.--Floor Plan

APR 15 '15 04/13/15



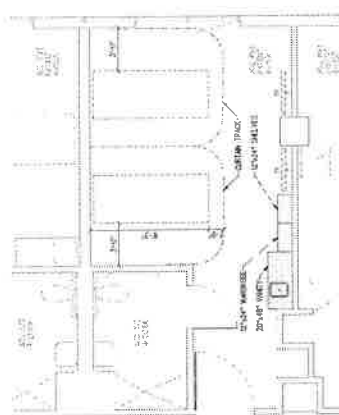
Second Floor 10 Bed Med. Surg. Conversion Plan
Tristar Skyline Medical Center
Nashville, Tennessee
04/13/15





THIRD FLOOR PLAN

Third Floor 10 Bed Rehab Conversion Plan
Tristar Skyline Medical Center
 Nashville, Tennessee
 04/13/15



THIRD FLOOR NEW WORK PLAN



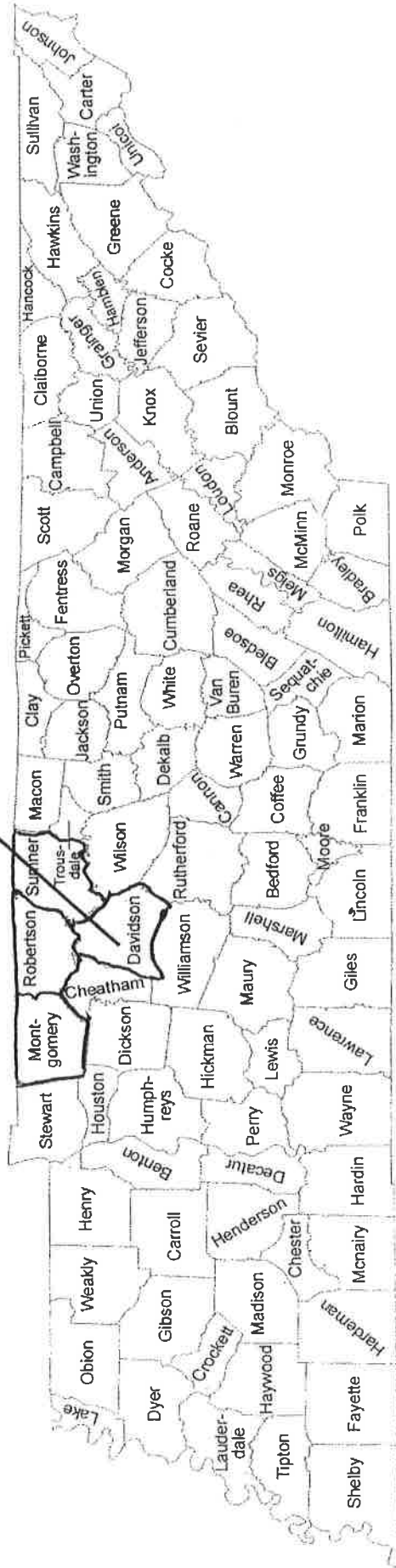
THIRD FLOOR DEMOLITION PLAN



C, Need--3 Service Area Maps



SKYLINE MEDICAL CENTER PRIMARY SERVICE AREA
(FOUR COUNTIES)



Get Printable Maps From:
WaterproofPaper.com

C, Economic Feasibility--1
Documentation of Construction Cost Estimate

C. ROSS ARCHITECTURE L.L.C.

April 14, 2015

**Subject: Verification of Construction Cost Estimate
Skyline Medical Center
Bed Expansion
Nashville, Tennessee**

To Whom It May Concern:

C. Ross Architect L.L.C., an architectural firm in Nashville, Tennessee, has reviewed the construction cost data for the above referenced project. The stated construction cost for this renovation is approximately \$600,000.00. (In providing opinions of probable construction cost, the Client understands that the Consultant has no control over the cost or availability of labor, equipment or materials, or over market conditions, or the Contractor's method of pricing, or the Code Reviewer's interpretation at a later date of the requirements for the project, and that the Consultant's opinion of probable construction costs are made on the basis of the Consultant's professional judgment and experience. The Consultant makes no warranty, expressed or implied, that the bids or the negotiated cost of the work will not vary from the Consultants opinion or probable construction cost.)

It is our opinion at this time the projected construction cost is reasonable for this type and size of project and compares appropriately with similar projects in this market. However, it should be noted that the construction costs re increasing rapidly due to economic factors beyond Contractor's controls.

The building codes applicable to this project will be:

State:

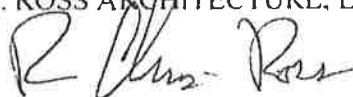
1. 2010 Guidelines for Design and Construction of Hospitals and Health Care Facilities
2. 2012 International Building Code
3. 2012 International Mechanical Code
4. 2012 International Plumbing Code
5. 2012 International Fuel and Gas Code
6. 2011 National Electric Code
7. 2012 NFPA 101 Life Safety Code
8. 1999 North Carolina Handicap Accessibility Code with 2004 Amendments
9. 2012 U S Public Health Food Code

Federal:

1. The Americans with Disabilities Act (ADA), Accessibility Guidelines for Buildings and Facilities
– 2010 Edition

Sincerely,

C. ROSS ARCHITECTURE, L.L.C.



R. Christopher Ross, III, AIA

C, Economic Feasibility--2
Documentation of Availability of Funding

April 13, 2015

Melanie M. Hill, Executive Director
Tennessee Health Facilities Commission
Andrew Jackson State Office Building, Ninth Floor
500 Deaderick Street
Nashville, Tennessee 37243

Ms. Hill,

TriStar Skyline Medical Center is applying for a Certificate of Need to transfer ten medical-surgical beds from its satellite campus in Madison to its main campus in north Davidson County. This will require a capital expenditure estimated at approximately \$843,000.

As Chief Financial Officer, I am writing to confirm that this hospital will fund the project in cash. The application includes our financial statements documenting that sufficient cash reserves, operating income, and lines of credit exist to provide the funding.

Sincerely,



Brad Schultz
Chief Financial Officer

C, Economic Feasibility--10

Financial Statements

01/10/15

FOR PERIODS ENDING 12/31/14

LAST YEAR	CURRENT MONTH BUDGET	THIS YEAR		THIS YEAR	YEAR TO DATE BUDGET	LAST YEAR
			REVENUES			
12,158,195	12,701,445	13,970,320	ROUTINE	142,295,450	134,820,394	120,327,070
49,493,026	54,218,527	56,788,604	INPATIENT ANCILLARY	604,386,442	542,886,992	506,939,673
61,651,221	66,919,972	70,758,924	TOTAL INPATIENT REVENUE	746,681,892	677,707,386	627,266,743
40,337,784	44,655,365	47,824,208	OUTPATIENT ANCILLARY	507,881,430	476,501,988	418,177,381
101,989,005	111,575,337	118,583,132	TOTAL PATIENT REVENUE	1,254,563,322	1,154,209,374	1,045,444,124
5,446	3,829	5,248	OTHER OPERATING INCOME	106,257	138,024	147,963
101,994,451	111,579,166	118,588,380	TOTAL REVENUES	1,254,669,579	1,154,347,398	1,045,592,087
			REVENUE DEDUCTIONS			
27,067,418	29,790,593	30,736,874	MEDICARE CY CONTRACTUALS	317,990,752	320,956,054	288,591,215
359,885	554,004	122,359	MEDICAID CY CONTRACTUALS	3,073,451	2,485,733	2,294,797
951,021	1,209,352	1,805,830	CHAMPUS CY CONTRACTUALS	16,649,637	11,219,794	10,305,185
165,469-	165,469-		PRIOR YEAR CONTRACTUALS	2,342,994-	578,138-	1,291,063-
43,478,008	49,543,939	50,867,056	HMO/PPO DISCOUNTS	552,411,030	489,858,052	436,405,145
2,092,834	1,562,055	1,454,555	CHARITY	12,579,880	16,158,931	13,526,235
10,460,450	9,057,578	9,449,633	OTHER DEDUCTIONS	124,739,585	89,668,625	90,675,153
2,417,918	3,751,839	5,065,675	BAD DEBTS	29,292,994	36,934,702	28,680,709
86,662,065	95,303,891	99,501,982	TOTAL REVENUE DEDUCTIONS	1,054,394,335	966,703,753	869,187,376
15,332,386	16,275,275	19,086,398	TOTAL NET REVENUE	200,275,244	187,643,645	176,404,711
			OPERATING COSTS			
4,650,987	4,999,782	5,386,604	SALARIES AND WAGES	57,713,869	55,384,581	51,942,621
292,616	275,652	289,985	CONTRACT LABOR	3,521,616	3,153,987	2,517,490
1,034,494	1,211,578	1,177,278	EMPLOYER BENEFITS	15,047,297	14,169,910	14,051,373
2,466,742	2,677,358	3,247,186	SUPPLIES	32,243,568	30,305,311	27,786,370
472,469	495,260	481,890	PROFESSIONAL FEES	5,225,044	5,657,195	4,406,154
1,490,515	1,455,379	1,663,702	CONTRACT SERVICES	18,818,904	17,710,266	16,957,221
556,057	324,268	360,572	REPAIRS AND MAINTENANCE	4,273,129	3,926,295	3,609,633
142,894	95,158	96,286	RENTS AND LEASES	1,527,690	1,165,867	1,352,284
163,368	171,493	155,913	UTILITIES	2,240,877	2,099,323	2,047,904
80,424-	55,448-	56,959-	INSURANCE	1,093,124	1,094,635	761,347
			INVESTMENT INCOME			
118,340	124,655	118,741	TAXES-NON INCOME	1,278,977	1,495,860	1,387,861
446,342	280,888	387,704	OTHER OPERATING EXPENSES	3,012,470	3,349,028	2,466,249
11,754,400	12,056,023	13,308,902	TOTAL OPERATING EXPENSES	145,996,565	139,512,258	129,286,507
3,577,986	4,219,252	5,777,496	EBDIT	54,278,679	48,131,387	47,118,204
			CAPITAL AND OTHER COSTS			
496,578	478,789	574,452	DEPRECIATION	6,093,108	5,746,050	5,335,239
			AMORTIZATION			
366,995-	339,040-	435,021-	OTHER NON-OPERATING EXPENSE	4,647,339-	3,798,851-	3,683,698-
1,359,521	1,262,694	1,289,169	INTEREST EXPENSE	12,808,030	15,174,246	12,042,178
			MGMT FEES AND MARKUP COST			
1,489,104	1,402,443	1,428,600	MINORITY INTEREST	14,253,799	17,121,445	13,693,719
2,088,882	2,816,809	4,348,896	TOTAL CAPITAL AND OTHER	40,024,880	31,009,942	33,424,485
			PRETAX INCOME			
			TAXES ON INCOME			
			FEDERAL INCOME TAXES			
			STATE INCOME TAXES			
			TOTAL TAXES ON INCOME			
2,088,882	2,816,809	4,348,896	NET INCOME	40,024,880	31,009,942	33,424,485

01/10/15

AS OF 12/31/14

BEGIN	CURRENT MONTH CHANGE	ENDING		ENDING	YEAR TO DATE CHANGE	BEGIN
413,891	734,950-	321,059-	CURRENT ASSETS-			
			CASH & CASH EQUIVALENTS	321,059-	345,150-	24,091
			MARKETABLE SECURITIES			
74,709,528	5,704,608	80,414,136	PATIENT ACCOUNTS RECEIVABLES			
			PATIENT RECEIVABLES	80,414,136	12,225,061	68,189,075
44,390,279-	3,046,395-	47,436,674-	LESS ALLOW FOR GOVT RECEIVABL			
30,319,249	2,658,213	32,977,462	LESS ALLOWS - BAD DEBT	47,436,674-	6,278,670-	41,158,004-
			NET PATIENT RECEIVABLES	32,977,462	5,946,391	27,031,071
			FINAL SETTLEMENTS			
958,799	514,691-	444,108	DUE TO/FROM GOVT PROGRAMS	444,108	730,547-	1,174,655
			ALLOWES DUE GOVT PROGRAMS			
958,799	514,691-	444,108	NET FINAL SETTLEMENTS	444,108	730,547-	1,174,655
31,278,048	2,143,522	33,421,570	NET ACCOUNTS RECEIVABLES	33,421,570	5,215,844	28,205,726
5,901,328	24,280	5,925,608	INVENTORIES	5,925,608	390,473	5,535,135
406,624	2,184,315	2,590,939	PREPAID EXPENSES	2,590,939	2,297,768	293,171
157,123	92,471-	64,652	OTHER RECEIVABLES	64,652	199,164-	263,816
38,157,014	3,524,696	41,681,710	TOTAL CURRENT ASSETS	41,681,710	7,359,771	34,321,939
			PROPERTY, PLANT & EQUIPMENT			
3,653,970		3,653,970	LAND	3,653,970		3,653,970
42,801,558	90,909	42,892,467	BLDGs AND IMPROVEMENTS	42,892,467	1,002,341	41,890,126
92,348,939	1,184,570	93,533,509	EQUIPMENT - OWNED	93,533,509	1,454,465-	94,987,974
3,133,448		3,133,448	EQUIPMENT - CAPITAL LEASES	3,133,448		3,133,448
386,275	190,345-	195,930	CONSTRUCTION IN PROGRESS	195,930	186,180	9,750
142,324,190	1,085,134	143,409,324	GROSS PP&E	143,409,324	265,944-	143,675,268
87,218,243-	534,891-	87,753,134-	LESS ACCUMULATED DEPRECIATION	87,753,134-	6,426,162	94,179,296-
55,105,947	550,243	55,656,190	NET PP&E	55,656,190	6,160,218	49,495,972
			OTHER ASSETS			
			INVESTMENTS			
813,425		813,425	NOTES RECEIVABLE			
			INTANGIBLE ASSETS - NET	813,425		813,425
112,470		112,470	INVESTMENT IN SUBSIDIARIES			
925,895		925,895	OTHER ASSETS	112,470		112,470
			TOTAL OTHER ASSETS	925,895		925,895
94,188,856	4,074,939	98,263,795	GRAND TOTAL ASSETS	98,263,795	13,519,989	84,743,806

01/10/15

AS OF 12/31/14

CURRENT MONTH			YEAR TO DATE		
BEGIN	CHANGE	ENDING	ENDING	CHANGE	BEGIN
CURRENT LIABILITIES-					
5,095,289	716,796	5,812,085	5,812,085	1,501,157	4,310,928
5,547,384	847,681	6,395,065	6,395,065	962,364	5,432,701
1,615,307	139,039	1,754,346	1,754,346	9,926	1,744,420
ACCRUED INTEREST					
DISTRIBUTIONS PAYABLE					
534,567	28	534,595	534,595	320	534,275
91,278	17,855	109,133	109,133	74,480-	183,613
78,307-		78,307-	78,307-	78,307-	
12,805,518	1,721,399	14,526,917	14,526,917	2,320,980	12,205,937
TOTAL CURRENT LIABILITIES					
LONG TERM DEBT-					
CAPITALIZED LEASES					
1,169,085	49,629-	1,119,456	1,119,456	580,637-	1,700,093
101,197,244-	1,946,631-	103,143,875-	103,143,875-	15,380,950-	87,762,925-
2,427	220-	2,207	2,207	2,648-	4,855
100,025,732-	1,996,480-	102,022,212-	102,022,212-	15,964,235-	86,057,977-
TOTAL LONG TERM DEBTS					
DEFERRED CREDITS AND OTHER LIAB					
PROFESSIONAL LIABILITY RISK					
DEFERRED INCOME TAXES					
80,748	1,124	81,872	81,872	3,004-	84,876
80,748	1,124	81,872	81,872	3,004-	84,876
LONG-TERM OBLIGATIONS					
TOTAL OTHER LIAB. & DEF.					
EQUITY					
COMMON STOCK - PAR VALUE					
CAPITAL IN EXCESS OF PAR VALU					
145,652,338		145,652,338	145,652,338	12,858,632-	158,510,970
35,675,984	4,348,896	40,024,880	40,024,880	40,024,880	
RETAINED EARNINGS - START OF					
NET INCOME - CURRENT YEAR					
DISTRIBUTIONS					
OTHER EQUITY					
181,328,322	4,348,896	185,677,218	185,677,218	27,166,248	158,510,970
TOTAL EQUITY					
94,188,856	4,074,939	98,263,795	98,263,795	13,519,989	84,743,806
TOTAL LIABILITIES AND EQU					

C, Orderly Development--7(C)
TDH Inspection & Plan of Correction



Official Certification Report

TriStar Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Organization Identification Number: 7887

Evidence of Standards Compliance (60 Day) Submitted: 2/15/2015

The Joint Commission

Executive Summary

Program

Disease-Specific Care Certification
Advanced Comprehensive Stroke Center

Submit Date

2/15/2015

**Disease-Specific Care
Certification:**

As a result of the certification review conducted on the above date(s), there are no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

- Measure of Success (MOS) – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission

Requirements for Improvement – Summary

Program	Standard	Level of Compliance
DSC	DSDF.1	Compliant
DSC	DSDF.2	Compliant
DSC	DSSE.1	Compliant
DSC	DSSE.3	Compliant



The Joint Commission

November 15, 2013

Re: # 7887

CCN: #440006

Program: Hospital

Accreditation Expiration Date: August 17, 2016

Steve Otto
Chief Executive Officer
Skyline Medical Center
3441 Dickerson Pike
Nashville, Tennessee 37207

Dear Mr. Otto:

This letter confirms that your August 12, 2013 - August 16, 2013 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on October 04, 2013, October 19, 2013 and November 11, 2013 and the successful on-site Medicare Deficiency Follow-up event conducted on September 27, 2013, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of August 17, 2013. We congratulate you on your effective resolution of these deficiencies.

§482.12 Governing Body
§482.41 Physical Environment

The Joint Commission is also recommending your organization for continued Medicare certification effective August 17, 2013. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation applies to the following location(s):

Skyline Madison Campus
500 Hospital Drive, Madison, TN, 37115

Skyline Medical Center
3441 Dickerson Pike, Nashville, TN, 37207

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice



The Joint Commission

Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 4 /Survey and Certification Staff



Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Organization Identification Number: 7887

Evidence of Standards Compliance (45 Day) Submitted: 11/11/2013

Program(s)
Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

**The Joint Commission
Summary of Compliance**

Program	Standard	Level of Compliance
HAP	LS.02.01.20	Compliant

**The Joint Commission
Summary of CMS Findings**

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Compliant

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.20/EP1	Compliant



Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Organization Identification Number: 7887

Program(s)
Hospital Accreditation

Survey Date(s)
09/27/2013-09/27/2013

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), Requirements for Improvement have been identified in your report.
You will have follow-up in the area(s) indicated below:

- Evidence of Standards Compliance (ESC)

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission Summary of Findings

Evidence of DIRECT Impact Standards Compliance is due within 45 days from the day the survey report was originally posted to your organization's extranet site:

Program: Hospital Accreditation
Program

Standards: LS.02.01.20

EP1

**The Joint Commission
Summary of CMS Findings**

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.20/EP1	Standard

The Joint Commission Findings

Chapter: Life Safety
Program: Hospital Accreditation
Standard: LS.02.01.20

ESC 45 days

Standard Text: The hospital maintains the integrity of the means of egress.

Primary Priority Focus Physical Environment

Area:

Element(s) of Performance:

1. Doors in a means of egress are unlocked in the direction of egress.
(For full text and any exceptions, refer to NFPA 101-2000:
18/19.2.2.2.4)



Scoring

Category : A
Score : Insufficient Compliance

Observation(s):

EP 1

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101®2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to:
http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Skyline Medical Center (3441 Dickerson Pike, Nashville, TN) site for the Hospital deemed service.

During the building tour, it was observed that two sets of double doors leading into the Cath Lab from the adjacent corridors were found to be secured with magnetic devices but were not also equipped with an occupancy sensor and emergency push to exit buttons that would permit free egress, as marked by exit signs, out of the unit to the corridors. It was also observed that the double doors leading INTO the CCU unit, in a marked egress path (marked by an exit sign) are locked with a magnetic device but were not also equipped with an occupancy sensor and emergency push to exit button to permit free access to the marked egress path. Each of these doors are required to be compliant with NFPA LSC 2000 edition, 7.2.1.6 Special Locking Arrangements.



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975 C HIGHWAY 46 BYPASS
JACKSON, TENNESSEE 38305
731-984-9884

November 8, 2011

Mr. Steve Otto, Administrator
Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

Dear Mr. Otto:

On **November 4, 2011**, our office completed a revisit to verify that your facility had achieved and maintained compliance. Based on our revisit, we found that your facility had demonstrated compliance with deficiencies cited on the **fire safety licensure survey** completed on **September 20, 2011**.

If this office may be of any assistance to you, please call 731-984-9710.

Sincerely,

A handwritten signature in cursive script that reads "P. Diane Carter".

P. Diane Carter, RN, LNCC
Public Health Nurse Consultant 2

PDC/tjw

Handwritten initials "tjw" in cursive script.

November 2, 2011

Ms. P. Diane Carter
Public Health Consultant Nurse 2
State of Tennessee Department of Health
West Tennessee Health Care Facilities
2975C Highway 45 Bypass
Jackson, Tennessee 38305-3608

Re: Skyline Medical Center
Licensure Survey-Fire Safety

Dear Ms. Carter,

Enclosed is Skyline Medical Center's revised plan of corrective action in response to your letter dated October 24, 2011. We hope this letter and its attachments expand the description of the numerous actions the hospital has taken to ensure compliance with each of the fire safety deficiencies cited and provides credible evidence of full compliance.

If you require additional information or if I can be of assistance, please do not hesitate to call me at 615-769-7114.

Sincerely,



Steve Otto
Chief Executive Officer

Enclosures

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01- Main Building 01 B. WING _____	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
H 901	1200-8-1-09 (1) Life Safety (1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations. This Rule is not met as evidenced by: Based on observations, it was determined the facility failed to comply with the life safety codes as required. The findings included: 1. Observation of the kitchen on 9/19/11 at 1:22 PM, revealed the housekeeping door did not have a door closure causing the closet not maintaining a negative air pressure.	H 901	<u>Deficiency:</u> Facility failed to comply with the life safety codes as required. <u>Corrective Action:</u> The Plant Operations Department installed a door closure on the housekeeping door in the kitchen. Inspection by the Director Facilities Management on 9/22/11 noted the housekeeping door to latch securely. The Director of Food and Nutrition Services was notified the door was to remain closed at all times. A sign stating "We must keep this door closed at all times" was placed on the door to alert FNS staff. The Director of Food & Nutrition Services also communicated this to the staff utilizing the housekeeping area in a 1:1 conversation. Exhibit I <u>Responsible Parties:</u> Director Facilities Management <u>Compliance Monitoring:</u> Plant Operations has set up a re-occurring work order that will cause an inspection to be done by the Director of Facilities Management once per week beginning immediately and continuing for 4 months. If no issues are found, doors will be checked during normal EOC rounds semi-annually. Any door found not closed during rounding will be communicated to the Director of Food & Nutrition Services for immediate follow-up. The Director Food & Nutrition Services is also performing daily monitoring to ensure the door is latched securely. The audits will daily for 2 months. If no issues are noted, the observation of compliance will change to the monthly surveillance rounding. The audits will be reported to the Environment of Care Committee quarterly, forwarded to the Performance Improvement Council, Medical Executive Committee and Board of Trustees for their review, input and recommendations as needed.	9/21/11 09/30/11 10/07/11 10/29/11

Division of Health Care Facilities

Title

(X6) Date

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE
STATE FORM

6899

C49B21

If continuation sheet 1 of 3

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01- Main Building 01 B. WING	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
	H 901 1200-8-1-09 (I) Life Safety Continued page 2 2. Observation of the kitchen on 9/19/11 at 1:26 PM, revealed the paper goods storage room door was wedged open with a rubber door stop.	H901	<u>Deficiency:</u> Facility failed to comply with the life safety codes as required. <u>Corrective Action:</u> The Plant Operations Department inspected the door that was wedged open and validated the door had no closure difficulties; therefore the rubber wedge was removed. The Director Food & Nutrition Services was notified at that time to not have the door propped open with any objects. The Director of Food and Nutrition Services communicated with the staff at a special meeting the importance of not propping any doors open at any time, especially rubber door stops. This door is in the kitchen is able to be left open, so the Plant Operations Department installed a "magnetic door hinge" which allows this to happen. The door has the ability to release to the closed position in case of fire. This was checked by the Director Facilities Management and Chief Quality & Patient Safety Officer during their weekly rounds. <u>Responsible Parties:</u> Director Facilities Management, Director Food and Nutrition Services <u>Compliance Monitoring:</u> Plant Operations has set up a re-occurring work order that will cause an inspection to be done by the Director of Facilities Management once per week beginning immediately and continuing for 4 months. If no issues are found, doors will be checked during normal EOC rounds semi-annually. Doors found propped open will be communicated to the Director of Food & Nutrition Services for immediate follow-up. The Director of Food and Nutrition Services is also performing daily monitoring to validate that no doors are propped open with any objects for 2 months. If no issues are noted, the observation of compliance will change to the monthly surveillance rounding. The audit results will be reported quarterly at the Environment of care Committee, Performance Improvement/Patient Safety Council, Medical Executive Committee and Board of Trustees for their review, input and recommendations as needed.	09/21/11 10/04/11 10/27/11 10/07/11 10/29/11

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE
STATE FORM

6899

C49B21

Title

 CEO 11/3/11

(X6) Date

If continuation sheet 2 of 3

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - Main Building 01 B. WING _____ STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER				
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
	<p>H 901 1200-8-1-09 (1) Life Safety</p> <p>Continued page 3</p> <p>3. Observation of the kitchen on 9/19/11 at 1:30 PM, revealed kitchen hood suppression fore extinguishing nozzles were not centered over the cooking equipment.</p> <p>These findings were acknowledged by the director of facilities management during the exit interview on 9/20/11.</p>	H 901	<p><u>Deficiency:</u> Facility failed to comply with the life safety codes as required.</p> <p><u>Corrective Action:</u> The Plant Operations Department notified Simplex Grinnell of the need to inspect the hood suppression pipes in the kitchen over the new cooking equipment.</p> <p>Simplex Grinnell inspected the kitchen hood suppression pipes and changed them to cover the new kitchen appliances. Exhibit K</p> <p><u>Responsible Parties:</u> Director Facilities Management</p> <p><u>Compliance Monitoring:</u> The Director of Facilities Management and Chief Quality & Patient Safety Officer inspected the hood suppression pipes in the kitchen and found them appropriately placed covering the cooking equipment. These suppression pipes are permanently placed and cannot be adjusted by any kitchen staff. Simplex Grinnell has a biannual maintenance already scheduled to inspect the suppression hood nozzles, hood exhaust fans, etc. The last inspection was on 6/23/11 therefore the next inspection is scheduled for 12/2011. If any issues are found during an inspection, they are corrected at that time. Documentation of the inspections is kept in the Plant Operations Department. Any deficiencies in the inspections for the next 2 years will be reported to the Environment of Care Committee, Performance Improvement/Patient Safety Council, Medical Executive Committee and Board of Trustees for review, input and recommendations as needed.</p>	<p>09/21/11</p> <p>9/29/11</p> <p>10/07/11</p>

Division of Health Care Facilities

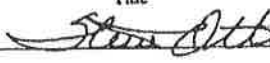
Title

(X6) Date

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE
STATE FORM

6899

C49B21


 Steven D. H. CEO 11/3/11

If continuation sheet 3 of 3

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER TNP 53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING 02-Madison Campus B. WING	(X3) DATE SURVEY COMPLETED C 09/20/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207	
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
	<p>H 901 1200-8-1-09 (1) Life Safety</p> <p>(1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations.</p> <p>This Rule is not met as evidenced by: Based on observations, it was determined the facility failed to comply with the life safety codes as required.</p> <p>The findings included:</p> <p>Observation on 9/20/11 at 10:40 AM, revealed a penetration above the corridor doors in the smoke wall partition adjacent at 339.</p> <p>This findings was acknowledged by the director of facilities management and the plant operations manager during the exit interview on 9/20/11.</p>	H 901	<p><u>Deficiency:</u> Facility failed to comply with the life safety codes as required.</p> <p><u>Corrective Action:</u> The penetration was sealed at the time it was found. Skyline Medical Center has a "No Pass, No Pay" policy that details the process to ensure all fire/smoke wall penetrations complies with state and national fire code requirements. The policy was reviewed by the Director Facilities Management and no changes were needed. Upon completion of the contractors work, the contractor fills out the No Pass No Pay form (included on the policy) and gives the completed form to the Plant Operations Department. Owner's representative (Plant Operations, Biomedical or Information Systems) conducts an inspection of all new penetrations to ensure they are sealed. If the penetrations are not sealed, the contractor is made aware and payment is held until the penetrations are sealed and the work is re-inspected. Exhibit H</p> <p><u>Responsible Parties:</u> Director Facilities Management and Plant Operations Manager at Madison Campus</p> <p><u>Compliance Monitoring:</u> The Director Facilities Management and Plant Operations Manager (Madison Campus) conduct quarterly fire barrier inspections. If penetrations are found, they are sealed at the time of the inspection. Penetrations are reported as part of the surveillance to the Environment of Care Committee quarterly, forwarded to the Performance Improvement Council, Medical Executive Committee and Board of Trustees for their review, input and recommendations as needed. As noted above, the hospital is monitoring every outside contractor work and sealing of penetrations during each visit to the facility. Non-compliance results in no pay to the contractor until a re-inspection is done and passed.</p>	<p>09/20/11</p> <p>09/30/11</p> <p>10/01/11</p>

Division of Health Care Facilities

Title

(X6) Date

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE
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6899

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If continuation sheet 1 of 1

Stewart H. CEO 10/3/11

OCT - 4 2011



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975C HIGHWAY 45 BYPASS
JACKSON, TENNESSEE 38305-3608

September 26, 2011

Mr. Steve Otto, Administrator
Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

RE: Licensure Surveys

Dear Mr. Otto:

Enclosed is the statement of deficiencies for the licensure surveys completed at your facility on **September 19 - 21, 2011**. Based upon 1200-8-1, you are asked to submit an acceptable plan of correction for achieving compliance with completion dates and signature within **ten (10) days from the date of this letter**.

Please address each deficiency separately with positive and specific statements advising this office of a plan of correction that includes acceptable time schedule, which will lead to the correction of the cited deficiencies. **Enter on the right side of the State Form, opposite the deficiencies**, your planned action to correct the deficiencies and the expected completion date. The completion date can be no longer than **45 days from the day of survey**. Before the plan can be considered "acceptable," it must be signed and dated by the administrator

Your plan of correction must contain the following:

- How the deficiency will be corrected;
- How the facility will prevent the same deficiency from recurring.
- The date the deficiency will be corrected;
- How ongoing compliance will be monitored.

Please be advised that under the disclosure of survey information provisions, the Statement of Deficiencies will be available to the public.

If assistance is needed, please feel free to call me at 731-984-9710.

Sincerely,

P. Diane Carter

P. Diane Carter, RN. LNCC
Public Health Consultant Nurse 2

PDC/tjw

OCT - 4 2011



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
WEST TENNESSEE HEALTH CARE FACILITIES
2975C HIGHWAY 46 BYPASS
JACKSON, TENNESSEE 38305-3608
731-984-9684

September 26, 2011

Administrator
Skyline Medical Center
3441 Dickerson Pike
Nashville, TN 37207

RE: PECU Licensure Survey

Dear Administrator:

We are pleased to advise you that no deficiencies were cited as a result of the licensure survey conducted at your facility on **September 21, 2011**. **The attached form is for your files.**

If this office may be of any assistance to you, please do not hesitate to call (731) 984-9710.

Sincerely,

P. Diane Carter

P. Diane Carter, RN, LNCC
Public Health Nurse Consultant 2

tjw
PDC/tjw

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53123	(X2) MULTIPLE CONSTRUCTION A. BUILDING _____ B. WING _____	(X3) DATE SURVEY COMPLETED 09/21/2011
NAME OF PROVIDER OR SUPPLIER SKYLINE MEDICAL CENTER		STREET ADDRESS, CITY, STATE, ZIP CODE 3441 DICKERSON PIKE NASHVILLE, TN 37207		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
P 002	1200-8-30 No Deficiencies Based on policy review, medical record review, observation, and interviews, the facility complied with the regulations for a Primary Pediatric Emergency Care Facility. No deficiencies were cited during the annual licensure survey conducted 9/19/11 - 9/21/11.	P 002	COPY	

Division of Health Care Facilities

TITLE

(X6) DATE

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

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If continuation sheet 1 of 1

Miscellaneous Information

Midmonth Report for November 2014

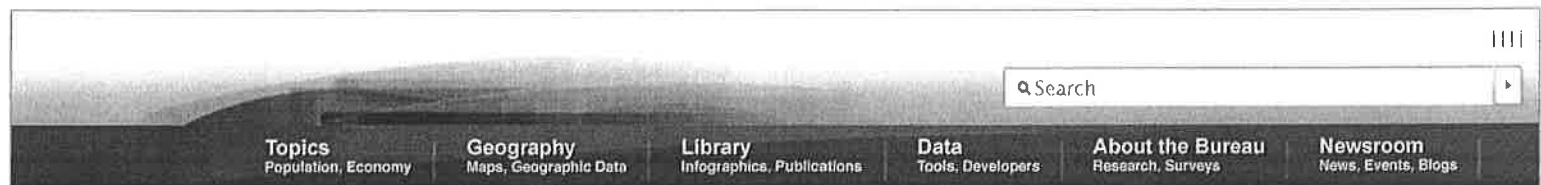
- * This report is a count of people taken in the middle of the month for which the report was run.
- * This report is run three months after the month of the report in an effort to reduce fluctuations in the results.

MCO	REGION	Total
AMERIGROUP COMMUNITY CARE	Middle Tennessee	220,633
BLUECARE	East Tennessee	231,210
BLUECARE	West Tennessee	190,409
TENNCARE SELECT	All	48,808
UnitedHealthcare Community Plan	East Tennessee	218,308
	Middle Tennessee	222,042
	West Tennessee	189,256
Awaiting MCO assignment		3,543
Grand Total		1,324,208

COUNTY	Female				Male				Grand Total		
	0 - 18	19 - 20			Total	0 - 18	19 - 20			Male Total	
		21 - 64	65 -->	65 -->			21 - 64	65 -->			65 -->
ANDERSON	4,028	302	3,823	594	8,747	4,157	256	1,833	281	15,255	
BEDFORD	3,557	250	2,680	239	6,726	3,730	160	1,102	113	11,832	
BENTON	945	88	981	140	2,131	1,003	79	493	72	3,779	
BLEDSOE	777	69	715	117	1,678	882	57	412	53	3,082	
BLOUNT	5,657	446	5,195	646	11,945	5,756	304	2,334	280	20,619	
BRADLEY	5,458	450	5,127	674	11,708	5,815	285	2,236	277	20,322	
CAMPBELL	2,762	269	3,342	658	7,031	2,896	189	1,851	379	12,345	
CANNON	694	52	702	138	1,586	766	58	322	51	2,783	
CARROLL	1,713	169	1,892	334	4,107	1,905	137	956	142	7,247	
CARTER	3,014	262	3,070	723	7,069	3,196	201	1,564	268	12,298	
CHEATHAM	1,877	153	1,692	172	3,895	1,971	111	773	74	6,824	
CHESTER	966	88	928	151	2,152	996	68	382	67	3,666	
CLAIBORNE	1,949	195	2,208	561	4,913	2,964	158	1,313	242	8,691	
CLAY	514	44	481	113	1,153	535	28	304	81	2,100	
COCKE	2,659	222	2,754	447	6,081	2,749	182	1,531	216	10,739	
COFFEE	3,367	266	3,109	399	7,140	3,418	174	1,350	169	12,252	
CROCKETT	1,038	81	853	210	2,181	1,011	64	400	76	3,732	
CUMBERLAND	3,013	234	2,781	507	6,535	3,147	196	1,368	233	11,479	
DAVIDSON	39,192	2,400	31,852	3,277	76,731	40,451	1,861	12,517	1,803	133,164	
DECATUR	611	68	645	196	1,520	687	36	366	63	2,672	
DEKALB	1,296	84	1,221	198	2,799	1,388	64	612	107	4,970	
DICKSON	2,716	231	2,578	293	5,818	2,891	182	1,058	122	10,071	
DYER	2,521	267	2,568	436	5,791	2,680	208	1,073	150	9,913	
FAYETTE	1,756	124	1,542	307	3,728	1,844	104	678	143	6,498	
FENTRESS	1,290	128	1,372	363	3,153	1,402	121	889	181	5,747	
FRANKLIN	1,865	163	1,821	261	4,110	1,979	134	840	103	7,166	
GIBSON	3,084	262	3,153	616	7,155	3,317	210	1,413	256	12,332	
GILES	1,496	123	1,451	233	3,303	1,507	94	710	97	5,711	
GRAINGER	1,381	131	1,304	302	3,118	1,398	101	770	149	5,538	
GREENE	3,389	302	3,693	720	8,104	3,607	199	1,841	375	14,126	

COUNTY	Female					Male					Grand Total	
	0 - 18		19 - 20		65 -->	Female Total		Male		Male Total		
	0 - 18	19 - 20	21 - 64	65 -->		0 - 18	19 - 20	21 - 64	65 -->			
GRUNDY	1,075	107	1,184	215		2,581	1,203	78	660	125	2,085	4,626
HAMBLEN	4,239	265	3,313	520		8,338	4,324	199	1,430	212	6,164	14,502
HAMILTON	16,474	1,299	15,714	2,316		35,802	17,408	917	6,369	915	25,608	61,410
HANCOCK	497	65	559	152		1,273	558	49	323	72	1,002	2,274
HARDEMAN	1,679	147	1,722	322		3,870	1,685	118	832	157	2,791	6,661
HARDIN	1,613	156	1,685	384		3,837	1,704	124	859	196	2,882	6,720
HAWKINS	3,158	280	3,259	589		7,285	3,305	213	1,629	269	5,416	12,701
HAYWOOD	1,413	130	1,484	282		3,309	1,540	100	499	107	2,246	5,555
HENDERSON	1,718	165	1,718	272		3,873	1,826	133	717	105	2,781	6,654
HENRY	1,916	178	1,908	275		4,277	2,056	131	918	97	3,201	7,478
HICKMAN	1,435	131	1,460	167		3,213	1,655	126	770	79	2,630	5,843
HOUSTON	434	35	468	122		1,060	484	26	244	68	821	1,881
HUMPHREYS	993	95	980	162		2,231	1,027	47	473	63	1,610	3,841
JACKSON	538	61	657	135		1,491	676	59	376	90	1,201	2,692
JEFFERSON	3,038	221	2,712	491		6,462	3,165	181	1,341	208	4,894	11,357
JOHNSON	948	96	1,015	284		2,343	1,031	67	643	149	1,890	4,233
KNOX	18,576	1,396	17,942	2,393		40,307	19,370	1,003	7,782	1,051	29,206	69,513
LAKE	430	45	575	150		1,200	530	35	260	65	889	2,090
LAUDERDALE	1,952	183	1,924	308		4,367	2,024	141	798	132	3,094	7,462
LAWRENCE	2,473	226	2,328	426		5,452	2,687	146	1,184	159	4,176	9,629
LEWIS	747	61	673	118		1,599	749	61	294	55	1,158	2,757
LINCOLN	1,847	142	1,648	291		3,928	1,941	114	788	111	2,954	6,882
LOUDON	2,296	194	1,875	271		4,635	2,347	108	869	113	3,437	8,072
MACON	1,737	143	1,507	251		3,639	1,784	97	749	116	2,745	6,384
MADISON	6,299	497	6,135	827		13,757	6,267	355	2,170	327	9,139	22,897
MARION	1,708	148	1,785	242		3,882	1,746	112	774	122	2,754	6,636
MARSHALL	1,687	125	1,499	172		3,463	1,782	101	620	66	2,569	6,032
MAURY	4,594	307	4,088	548		9,536	4,843	250	1,602	190	6,885	16,422
MCMINN	2,906	250	2,842	513		6,510	3,079	180	1,293	207	4,760	11,270
MCMURRAY	1,670	155	1,866	367		4,058	1,824	140	1,024	189	3,177	7,235
MEIGS	753	71	734	87		1,646	774	48	393	48	1,261	2,907
MONROE	2,722	245	2,675	488		6,130	2,983	170	1,361	238	4,751	10,881
MONTGOMERY	8,140	574	7,483	672		16,869	8,468	397	2,537	230	11,622	28,491
MOORE	207	13	168	48		436	252	23	79	17	371	807
MORGAN	1,177	113	1,087	190		2,547	1,229	84	573	89	1,984	4,531
OBION	1,918	166	1,908	299		4,291	2,033	106	784	110	3,034	7,325
OVERTON	1,168	125	1,123	264		2,679	1,281	89	617	136	2,123	4,802
PERRY	531	35	446	79		1,091	525	38	250	35	848	1,939
PICKETT	246	19	247	88		600	288	19	143	43	493	1,083
POLK	938	104	956	164		2,162	989	62	493	78	1,622	3,784
PUTNAM	4,003	335	3,630	722		6,889	4,148	233	2,029	323	6,734	15,622
RHEA	2,305	184	2,039	351		4,879	2,321	162	995	134	3,612	8,490
ROANE	2,509	209	2,775	520		6,013	2,800	162	1,467	220	4,650	10,662
ROBERTSON	3,673	254	2,748	376		7,051	3,855	177	1,098	165	5,296	12,347
RUTHERFORD	12,639	1,005	10,062	985		24,680	13,135	692	3,547	404	17,778	42,469
SCOTT	1,802	166	1,877	384		4,229	1,943	119	1,042	199	3,302	7,531
SECUATCHIE	981	81	923	140		2,125	976	71	496	48	1,591	3,716
SEVIER	5,120	396	4,112	453		10,081	5,507	282	1,664	161	7,813	17,694
SHELBY	71,974	5,577	62,561	6,676		146,809	73,670	4,574	19,956	2,679	100,679	247,688

COUNTY	Female				Male				Grand Total
	0 - 18	19 - 20	21 - 64	65 ->	0 - 18	19 - 20	21 - 64	65 ->	
SMITH	1,055	105	994	165	1,079	53	464	66	3,981
STEWART	687	51	724	109	745	40	350	53	2,759
SULLIVAN	7,513	645	7,986	1,295	7,962	478	4,008	566	30,453
SUMNER	7,356	559	8,482	771	7,689	408	2,504	311	26,080
TIPTON	3,528	329	3,125	367	3,677	255	1,169	130	12,581
TROUSDALE	502	52	448	83	481	47	208	36	1,855
UNICOI	913	71	943	253	1,015	64	440	116	3,817
UNION	1,337	120	1,108	182	1,279	82	633	83	4,802
VAN BUREN	296	25	295	62	328	20	169	46	1,242
WARREN	2,713	226	2,491	429	2,838	151	1,182	188	10,217
WASHINGTON	5,397	445	5,796	947	5,561	327	2,733	427	21,634
WAYNE	768	56	773	174	818	67	398	67	3,121
WEAKLEY	1,752	188	1,814	310	1,801	128	862	112	6,969
WHITE	1,673	135	1,587	311	1,766	104	875	122	6,574
WILLIAMSON	3,002	179	2,291	360	3,135	164	907	144	10,182
WILSON	4,684	334	4,114	486	4,824	233	1,665	188	16,508
Grand Total	360,756	28,435	330,751	46,856	375,971	21,535	139,671	20,234	1,324,208



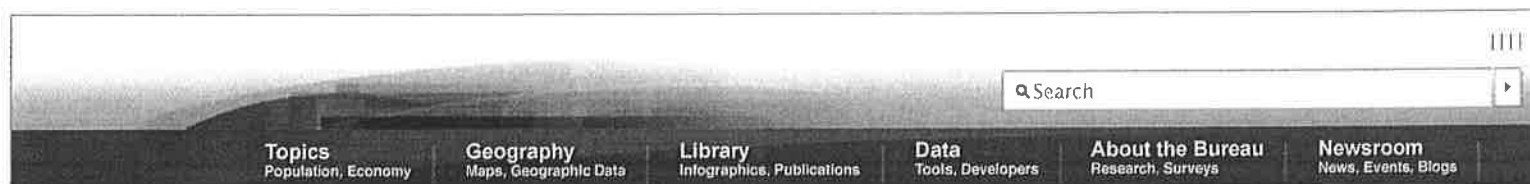
State & County QuickFacts

Try the today and tell us what you think!

Montgomery County, Tennessee

People QuickFacts	Montgomery County	Tennessee
Population, 2014 estimate	189,961	6,549,352
Population, 2013 estimate	184,729	6,497,269
Population, 2010 (April 1) estimates base	172,337	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	10.2%	3.2%
Population, percent change - April 1, 2010 to July 1, 2013	7.2%	2.4%
Population, 2010	172,331	6,346,105
Persons under 5 years, percent, 2013	8.7%	6.2%
Persons under 18 years, percent, 2013	27.2%	23.0%
Persons 65 years and over, percent, 2013	8.5%	14.7%
Female persons, percent, 2013	50.2%	51.2%
White alone, percent, 2013 (a)	73.0%	79.1%
Black or African American alone, percent, 2013 (a)	19.4%	17.0%
American Indian and Alaska Native alone, percent, 2013 (a)	0.7%	0.4%
Asian alone, percent, 2013 (a)	2.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.4%	0.1%
Two or More Races, percent, 2013	4.1%	1.7%
Hispanic or Latino, percent, 2013 (b)	9.2%	4.9%
White alone, not Hispanic or Latino, percent, 2013	65.8%	74.9%
Living in same house 1 year & over, percent, 2009-2013	76.3%	84.6%
Foreign born persons, percent, 2009-2013	5.3%	4.6%
Language other than English spoken at home, pct age 5+, 2009-2013	9.9%	6.6%
High school graduate or higher, percent of persons age 25+, 2009-2013	90.9%	84.4%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	23.5%	23.8%
Veterans, 2009-2013	24,920	484,901
Mean travel time to work (minutes), workers age 16+, 2009-2013	23.8	24.3
Housing units, 2013	75,204	2,840,914
Homeownership rate, 2009-2013	61.2%	67.8%
Housing units in multi-unit structures, percent, 2009-2013	20.7%	18.3%
Median value of owner-occupied housing units, 2009-2013	\$141,800	\$139,200
Households, 2009-2013	64,026	2,475,195
Persons per household, 2009-2013	2.72	2.52
Per capita money income in past 12 months (2013 dollars), 2009-2013	\$22,380	\$24,409
Median household income, 2009-2013	\$49,617	\$44,298
Persons below poverty level, percent, 2009-2013	16.4%	17.6%

Business QuickFacts	Montgomery County	Tennessee
Private nonfarm establishments, 2012	2,638	130,592 ¹
Private nonfarm employment, 2012	42,525	2,344,047 ¹
Private nonfarm employment, percent change, 2011-2012	5.2%	1.9% ¹

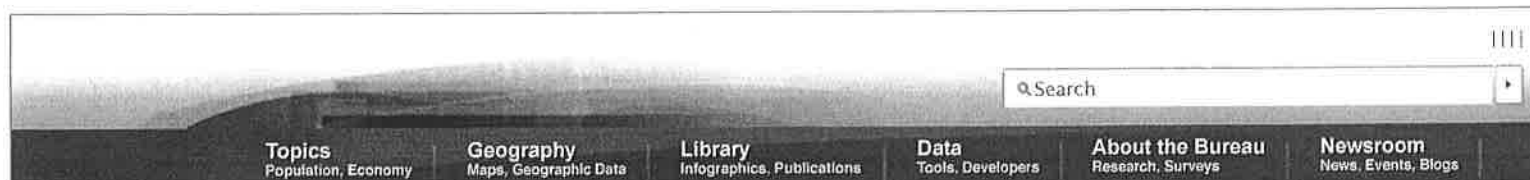


State & County QuickFacts

Try the today and tell us what you think!

Davidson County, Tennessee

People QuickFacts	Davidson County	Tennessee
Population, 2014 estimate	668,347	6,549,352
Population, 2013 estimate	659,042	6,497,269
Population, 2010 (April 1) estimates base	626,663	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	6.7%	3.2%
Population, percent change - April 1, 2010 to July 1, 2013	5.2%	2.4%
Population, 2010	626,681	6,346,105
Persons under 5 years, percent, 2013	7.0%	6.2%
Persons under 18 years, percent, 2013	21.6%	23.0%
Persons 65 years and over, percent, 2013	10.9%	14.7%
Female persons, percent, 2013	51.7%	51.2%
White alone, percent, 2013 (a)	65.8%	79.1%
Black or African American alone, percent, 2013 (a)	28.1%	17.0%
American Indian and Alaska Native alone, percent, 2013 (a)	0.5%	0.4%
Asian alone, percent, 2013 (a)	3.2%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.1%	0.1%
Two or More Races, percent, 2013	2.3%	1.7%
Hispanic or Latino, percent, 2013 (b)	9.9%	4.9%
White alone, not Hispanic or Latino, percent, 2013	57.1%	74.9%
Living in same house 1 year & over, percent, 2009-2013	79.2%	84.6%
Foreign born persons, percent, 2009-2013	11.7%	4.6%
Language other than English spoken at home, pct age 5+, 2009-2013	15.5%	6.6%
High school graduate or higher, percent of persons age 25+, 2009-2013	86.4%	84.4%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	35.9%	23.8%
Veterans, 2009-2013	38,947	484,901
Mean travel time to work (minutes), workers age 16+, 2009-2013	23.3	24.3
Housing units, 2013	288,863	2,840,914
Homeownership rate, 2009-2013	54.7%	67.8%
Housing units in multi-unit structures, percent, 2009-2013	37.2%	18.3%
Median value of owner-occupied housing units, 2009-2013	\$167,500	\$139,200
Households, 2009-2013	256,745	2,475,195
Persons per household, 2009-2013	2.39	2.52
Per capita money income in past 12 months (2013 dollars), 2009-2013	\$28,467	\$24,409
Median household income, 2009-2013	\$47,335	\$44,298
Persons below poverty level, percent, 2009-2013	18.5%	17.6%
Business QuickFacts	Davidson County	Tennessee
Private nonfarm establishments, 2012	18,062	130,592 ¹
Private nonfarm employment, 2012	383,086	2,344,047 ¹
Private nonfarm employment, percent change, 2011-2012	1.5%	1.9% ¹

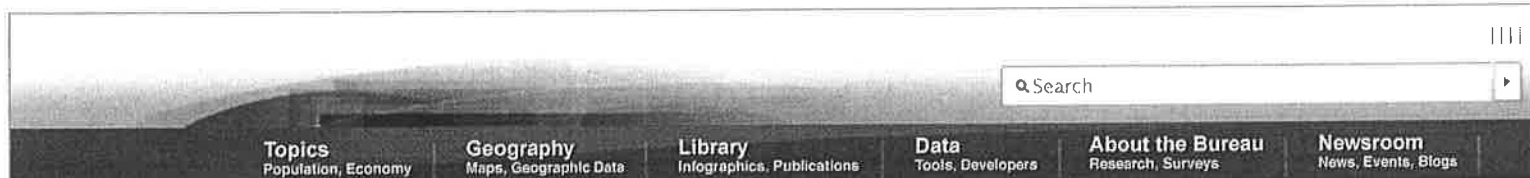


State & County QuickFacts

Try the today and tell us what you think!

Sumner County, Tennessee

People QuickFacts	Sumner County	Tennessee
Population, 2014 estimate	172,706	6,549,352
Population, 2013 estimate	169,114	6,497,269
Population, 2010 (April 1) estimates base	160,645	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	7.5%	3.2%
Population, percent change - April 1, 2010 to July 1, 2013	5.3%	2.4%
Population, 2010	160,645	6,346,105
Persons under 5 years, percent, 2013	6.0%	6.2%
Persons under 18 years, percent, 2013	24.5%	23.0%
Persons 65 years and over, percent, 2013	14.2%	14.7%
Female persons, percent, 2013	51.2%	51.2%
White alone, percent, 2013 (a)	89.8%	79.1%
Black or African American alone, percent, 2013 (a)	6.9%	17.0%
American Indian and Alaska Native alone, percent, 2013 (a)	0.3%	0.4%
Asian alone, percent, 2013 (a)	1.3%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.1%	0.1%
Two or More Races, percent, 2013	1.6%	1.7%
Hispanic or Latino, percent, 2013 (b)	4.2%	4.9%
White alone, not Hispanic or Latino, percent, 2013	86.1%	74.9%
Living in same house 1 year & over, percent, 2009-2013	84.3%	84.6%
Foreign born persons, percent, 2009-2013	3.7%	4.6%
Language other than English spoken at home, pct age 5+, 2009-2013	5.8%	6.6%
High school graduate or higher, percent of persons age 25+, 2009-2013	87.1%	84.4%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	23.7%	23.8%
Veterans, 2009-2013	12,953	484,901
Mean travel time to work (minutes), workers age 16+, 2009-2013	27.5	24.3
Housing units, 2013	67,143	2,840,914
Homeownership rate, 2009-2013	72.9%	67.8%
Housing units in multi-unit structures, percent, 2009-2013	14.3%	18.3%
Median value of owner-occupied housing units, 2009-2013	\$176,600	\$139,200
Households, 2009-2013	60,835	2,475,195
Persons per household, 2009-2013	2.67	2.52
Per capita money income in past 12 months (2013 dollars), 2009-2013	\$27,795	\$24,409
Median household income, 2009-2013	\$55,509	\$44,298
Persons below poverty level, percent, 2009-2013	10.4%	17.6%
Business QuickFacts	Sumner County	Tennessee
Private nonfarm establishments, 2012	2,890	130,592 ¹
Private nonfarm employment, 2012	37,782	2,344,047 ¹
Private nonfarm employment, percent change, 2011-2012	4.5%	1.9% ¹



State & County QuickFacts

Try the today and tell us what you think!

Robertson County, Tennessee

People QuickFacts	Robertson County	Tennessee
Population, 2014 estimate	68,079	6,549,352
Population, 2013 estimate	67,288	6,497,269
Population, 2010 (April 1) estimates base	66,293	6,346,275
Population, percent change - April 1, 2010 to July 1, 2014	2.7%	3.2%
Population, percent change - April 1, 2010 to July 1, 2013	1.5%	2.4%
Population, 2010	66,283	6,346,105
Persons under 5 years, percent, 2013	6.8%	6.2%
Persons under 18 years, percent, 2013	25.4%	23.0%
Persons 65 years and over, percent, 2013	13.0%	14.7%
Female persons, percent, 2013	50.7%	51.2%
White alone, percent, 2013 (a)	89.6%	79.1%
Black or African American alone, percent, 2013 (a)	7.8%	17.0%
American Indian and Alaska Native alone, percent, 2013 (a)	0.5%	0.4%
Asian alone, percent, 2013 (a)	0.6%	1.6%
Native Hawaiian and Other Pacific Islander alone, percent, 2013 (a)	0.1%	0.1%
Two or More Races, percent, 2013	1.4%	1.7%
Hispanic or Latino, percent, 2013 (b)	6.0%	4.9%
White alone, not Hispanic or Latino, percent, 2013	84.3%	74.9%
Living in same house 1 year & over, percent, 2009-2013	87.2%	84.6%
Foreign born persons, percent, 2009-2013	3.7%	4.6%
Language other than English spoken at home, pct age 5+, 2009-2013	5.9%	6.6%
High school graduate or higher, percent of persons age 25+, 2009-2013	85.2%	84.4%
Bachelor's degree or higher, percent of persons age 25+, 2009-2013	17.1%	23.8%
Veterans, 2009-2013	4,758	484,901
Mean travel time to work (minutes), workers age 16+, 2009-2013	29.9	24.3
Housing units, 2013	26,242	2,840,914
Homeownership rate, 2009-2013	76.7%	67.8%
Housing units in multi-unit structures, percent, 2009-2013	8.6%	18.3%
Median value of owner-occupied housing units, 2009-2013	\$153,100	\$139,200
Households, 2009-2013	24,136	2,475,195
Persons per household, 2009-2013	2.73	2.52
Per capita money income in past 12 months (2013 dollars), 2009-2013	\$23,809	\$24,409
Median household income, 2009-2013	\$52,792	\$44,298
Persons below poverty level, percent, 2009-2013	13.0%	17.6%
Business QuickFacts	Robertson County	Tennessee
Private nonfarm establishments, 2012	1,081	130,592 ¹
Private nonfarm employment, 2012	16,862	2,344,047 ¹
Private nonfarm employment, percent change, 2011-2012	6.1%	1.9% ¹

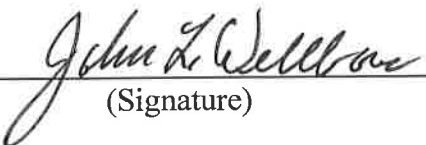
LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Davidson County, Tennessee, on or before April 10, 2015, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Skyline Medical Center (a hospital), owned and managed by HTI Memorial Hospital Corporation (a corporation), intends to file an application for a Certificate of Need to transfer ten (10) medical-surgical beds from its satellite campus at 500 Hospital Drive, Madison, TN 37115, into renovated space at its main campus at 3441 Dickerson Pike, Nashville, TN 37207. Both campuses are in Davidson County. The estimated project cost is \$843,000.

TriStar Skyline Medical Center is currently licensed as an acute care hospital by the Board for Licensing Health Care Facilities. Its consolidated license is for 385 hospital beds--consisting of 223 beds at its main campus, and 162 beds at its satellite campus. This project will increase the main campus complement to 233 beds, and will reduce the satellite campus complement to 152 beds, so that the consolidated 385-bed license will not change. The project does not include major medical equipment or any new health service.

The anticipated date of filing the application is on or before April 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

	4-7-15	jwdsg@comcast.net
(Signature)	(Date)	(E-mail Address)

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 PROPERTY BY A THIRD

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NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Skyline Medical Center (a hospital), owned and managed by HTI Memorial Hospital Corporation (a corporation), intends to file an application for a Certificate of Need to transfer ten (10) medical-surgical beds from its satellite campus at 500 Hospital Drive, Madison, TN 37115, into renovated space at its main campus at 3441 Dickerson Pike, Nashville, TN 37207. Both campuses are in Davidson County. The estimated project cost is \$843,000.

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The anticipated date of filing the application is on or before April 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Tennessee Health Services and Development Agency
 Andrew Jackson Building, 9th Floor
 Nashville, TN 37243

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

Apt Furnished

OLD HICKORY OR DONELSON - Male wanted to share a place, 4 Bdrms, fully furnished, close to shopping, \$1200/mo.

Wanted to Buy

WE BUY NOW & call later. Call Money Investors. Jim Stevens Realty 228-2541
 REAL ESTATE WANTED
 I Buy Real Estate 615-269-0892

Automotive

Cars
 best deal for you...

Auto Parts Service

REBUILT MOTORS
 350 Chevys \$992 & up, \$54 Chevys, 360 & 318 Dodge, V6 Fords & Chevys. 37 yrs exp. 615-788-0216

Autos Wanted

CASH FOR YOUR JUNK CARS, VANS, TRUCKS. Running or not running. Super 8 Chrysler minivans. 615-595-1329
 GET PAID UP TO \$100 For Complete Cars!
 Various vehicles, trucks, models & years. FREE TO WHOLESALE! 615-715-4119

★ UNWANTED CARS ★

I buy cars that don't run or are wrecked. *** 615-392-3378 ***

Cars

CADILLAC CTS '07 - 4 dr sedan, gold, black interior, 228L V6 5.3, 160,000 miles, new tires, \$13,000. 610-212-9919
 CHEVROLET IMPALA '14 LTZ, blk-bk, blk leather seats, cruise, radio, above, 100K, 37K, 4000 miles, 615-595-6154-2138

THE TENNESSEAN

Vans

FORD AEROSTAR '97 213K, well kept, new battery, brakes & tires. Satellite

Cars

CHEVROLET Stingray Corvette '14, Coupe, 3K mi, white, red 3 LT inf.

SAI. APRIL 11TH 10:00 AM

BRICK HOME - 6 ROOMS - BATH - GARAGE

Concrete Deck - Great Location - 132 x 350 ft. Lot



418 ALTA LOMA RD. GOODLETTSVILLE

Furn. - Appliances - Beds - Lots of Glass

Directions: From Rivergate Mall take Gallatin Pk. South 3 blocks, right on Alta Loma Rd. Located Home in a Nice Residential Area with a Great View.

Owner Has Moved into Assisted Living offering you this Opportunity to Purchase this Well Located Home in a Nice Residential Area with a Great View.
 Trimmed in vinyl and aluminum having: 3 bedrooms; living room; paneled den with fireplace; kitchen and dining area; tile bath and attached spacious garage and storage area plus concrete deck with storage under. Carpet over hardwood; natural wood trim; central HGA approx. 7 months old. Huge lot containing approx. one acre with concrete drive and parking area.

Drive Out and Inspect This Home and Notice the Surroundings and Location Prior To Sale. Personal Items to be sold following sale of Real Estate: sofa, love seat, marble top end tables; single bed; Jenny Lynn double bed; platform rocker; dresser; chest; night stand; corner what-not cabinet; kitchen table & chairs; recliner; 6 oak chairs; cloth chairs; wrought iron table & chairs; lamps; sewing machine; lots of glass; bowls; pitchers; plates; china; stove; refrigerator; washer & dryer; pots; pans; dishes; and misc. household items selling for cash day of sale.

REAL ESTATE TERMS: 15% day of sale, balance with deed & title. No Buyers Premium. Visit our website at: www.fellerbrownauction.com

Feller Brown
 REALTY AND AUCTION
 SINCE 1967
 212 MADISON ST. MADISON, TN 37115
 FELLER BROWN AUCTIONEER Lic #115
 Announcements day of sale take precedence over all advertisements.

2015-04-14 15:21:51

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

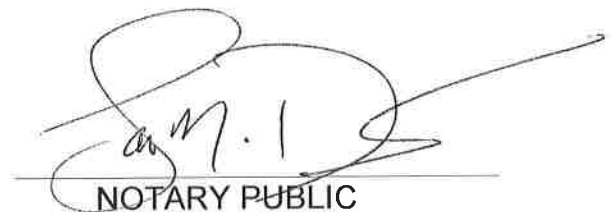
JOHN WELLBORN, being first duly sworn, says that he is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.


SIGNATURE/TITLE
CONSULTANT

Sworn to and subscribed before me this 14th day of April, 2015 a Notary
(Month) (Year)

Placed in and for the County/State of DAVIDSON




NOTARY PUBLIC

My commission expires July 2, 2018.
(Month/Day) (Year)



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

May 1, 2015

John Wellborn, Consultant
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, TN 37215

RE: Certificate of Need Application -- TriStar Skyline Medical Center - CN1504-014

The addition of 10 beds to the main hospital campus by transferring unstaffed medical surgical beds from the satellite campus at 500 Hospital Drive in Madison (Davidson County), TN to the main hospital campus at 3441 Dickerson Pike, Nashville (Davidson County). Existing space will be renovated to accommodate the 10 additional beds at the main campus. The hospital's consolidated 385-bed license will not change as a result of this project. The estimated project cost is \$843,000.

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need. Please be advised that your application is now considered to be complete by this office.

Your application is being forwarded to Trent Sansing at the Tennessee Department of Health for Certificate of Need review by the Division of Policy, Planning and Assessment. You may be contacted by Mr. Sansing or someone from his office for additional clarification while the application is under review by the Department. Mr. Sansing's contact information is Trent.Sansing@tn.gov or 615-253-4702.

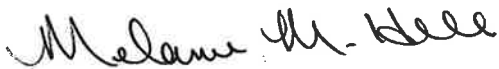
In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on May 1, 2015. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on July 22, 2015.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (3) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (4) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

cc: Trent Sansing, TDH/Health Statistics, PPA



State of Tennessee

Health Services and Development Agency

Andrew Jackson, 9th Floor, 502 Deaderick Street, Nashville, TN 37243

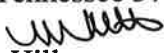
www.tn.gov/hsda

Phone: 615-741-2364

Fax: 615-741-9884

MEMORANDUM

TO: Trent Sansing, CON Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Andrew Johnson Tower, 2nd Floor
710 James Robertson Parkway
Nashville, Tennessee 37243

FROM: 
Melanie M. Hill
Executive Director

DATE: May 1, 2015

RE: Certificate of Need Application
TriStar Skyline Medical Center - CN1504-014

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on May 1, 2015 and end on July 1, 2015.

Should there be any questions regarding this application or the review cycle, please contact this office.

Enclosure

cc: John Wellborn

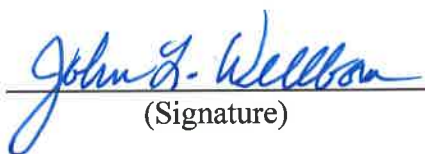
LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

The Publication of Intent is to be published in the Tennessean, which is a newspaper of general circulation in Davidson County, Tennessee, on or before April 10, 2015, for one day.

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Skyline Medical Center (a hospital), owned and managed by HTI Memorial Hospital Corporation (a corporation), intends to file an application for a Certificate of Need to transfer ten (10) medical-surgical beds from its satellite campus at 500 Hospital Drive, Madison, TN 37115, into renovated space at its main campus at 3441 Dickerson Pike, Nashville, TN 37207. Both campuses are in Davidson County. The estimated project cost is \$843,000.

TriStar Skyline Medical Center is currently licensed as an acute care hospital by the Board for Licensing Health Care Facilities. Its consolidated license is for 385 hospital beds--consisting of 223 beds at its main campus, and 162 beds at its satellite campus. This project will increase the main campus complement to 233 beds, and will reduce the satellite campus complement to 152 beds, so that the consolidated 385-bed license will not change. The project does not include major medical equipment or any new health service.

The anticipated date of filing the application is on or before April 15, 2015. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 210, Nashville, TN 37215; (615) 665-2022.

 4-7-15

(Signature)

(Date)

jwdsg@comcast.net

(E-mail Address)



State of Tennessee
Health Services and Development Agency
Andrew Jackson State Office Building, 9th Floor
502 Deaderick Street, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

April 17, 2015

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, Tennessee 37215

RE: Certificate of Need Application CN1504-014
TriStar Skyline Medical Center

Dear Mr. Wellborn:

This will acknowledge our April 15, 2015 receipt of your application for a Certificate of need for the net increase of ten (10) medical-surgical beds on the main hospital campus at 3441 Dickerson Pike, Nashville (Davidson County), TN by the renovation of existing spaces and closure of 10 beds at the hospital's satellite campus at 500 Hospital Drive in Madison (Davidson County), TN. The hospital's consolidated 385- bed license will not change as a result of this project.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 1:00 PM, April 24, 2015. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section B, Project Description, Item II.A

The tables showing the proposed bed changes on page 8 is noted. However, the total bed count in Table B for the Madison satellite campus appears to be in error from the information shown on replacement page 3.a of the application. Please revise the table and submit a replacement page 8-R in your response.

2. Section B, Project Description, Item II.B. (Changes in Bed Complement)

Review of the table on page 3.a shows no CON unimplemented beds from the bed changes recently approved in CN1406-020A. Please identify the date the

med-surg and ICU beds went into service and provide any related documentation of same from the Department of Health, if available.

The staffed beds column of the table shows 1 unstaffed med-surg bed of the 103 licensed med-surg beds at the main campus. Will this bed be placed into service to coincide with the transfer of 10 beds from the Madison satellite facility at project completion? Please clarify.

Please clarify the change from private rooms to semi-private rooms mentioned in the executive summary and in the last paragraph of this item on page 13. How would the change to less privacy and the need for coordinating room assignments for patient compatibility purposes facilitate the project's focus on quick relief for severe bed shortages in peak periods?

3. Section B, Project Description, Item II.C, and Section C, Need, Item 1(Project Specific Criteria: Replacement of Health Care Institutions, Item 3.a)

The applicant discusses the need for additional beds to minimize waiting times at the main campus. What are average waiting times for med-surg service in the most recent 12 month period and how will this project reduce same? In addition, the applicant discusses increases in occupancy due to the impact of the hospital's new provisional Level II Trauma designation. Please provide an update from Skyline's last approved similar CON project (CN1406-020A) by completing the table below:

Emergency Department	2011	2012	2013	2014*	Projected 2015	Year 1	Year 2
Total ED Patient Visits	50,749	54,742					
% of hospital admissions through ED							

**Trauma Center Designation received*

Does the projected annualized bed occupancy of 90% for the med-surg service at the main campus in CY2014-CY2015 include the occupancy of the additional 10 med-surg and ICU beds approved for transfer from the Madison Satellite to the main hospital campus in CN1406-020A? *Note: since occupancy calculations are also provided on page 35, the applicant should ensure that the occupancy calculations match the response requested in Item 7 below of this supplemental questionnaire (Section C, Need, Item 6 - Applicant's Historical & Projected Utilization.*

4. Section C, Need, Item 1. (Service Specific Criteria-Acute Care Bed Services, #1)

The applicant identifies a surplus of 942 acute care hospital beds in the 4-county proposed service area based on projections by TDH as shown in the table on pages 21 and 22 of the application. The table shows a 4,454 licensed bed count from the TDH data in lieu of the 4,244 total licensed beds (excluding rehab, psychiatric and LTAC beds) shown in the table on page 32, a difference of 210 licensed beds. What facilities in Davidson and Sumner Counties might help explain the 210 bed difference?

Recent approved CON projects for hospitals in Davidson County will soon add 145 total licensed beds, including 98 med-surg beds, to the acute care bed inventory in the applicant's 4-county service area. These are as follows:

- *Summit Medical Center, CN1402-004A; change in bed complement from 188 to 196 total beds (8 additional med-surg beds)*
- *Centennial Medical Center, CN1407-032A; change in bed complement from 659 to 686 total beds (29 additional med-surg beds)*
- *Vanderbilt University Hospitals, CN1406-021A; change in bed complement from 1,025 to 1,159 total beds (includes 61 additional med-surg beds)*

Since two of the 3 approved CON projects involve the addition of 37 med-surg beds by HCA hospitals in Davidson County, how many of the additional beds were placed in service as of 3/31/15? If none, what is the anticipated implementation date? Please clarify.

5. Section C, Need, Item 2

In addition to the long range plans please include a brief overview of highlights pertaining to key development plans that have been implemented and/or completed at the main hospital campus since its opening.

6. Section C, Need, Item 3 (Service Area) and Section C, Need, Item 5 (Historical Utilization)

What are the primary clinical diagnosis codes used by the applicant from its information system to support the med-surg patient admissions volumes shown in the table in the response on page 28 for this item? Using this information, how does the patient origin for the applicant's med-surg service compare to other Tri-Star HCA hospitals in the service area for the CY2013 period indicated?

7. Section C, Need, Item 6 (Applicant's Historical and Projected Utilization)

For the main hospital campus beds, the "Projected-2015" column in the table provided on page 35 for this item shows 137 med-surg beds and 217 total beds.

However, the current bed complement shown in the tables on page 3.a and page 8 show 137 med-surg and 223 total beds. Please review the bed complement and related occupancy metrics shown in the table. If in error, please revise the table and submit as replacement page 35-R.

Please also address how the transfer of the 10 beds approved in CN1406-020A is reflected in the current and projected bed complement.

8. Section C, Economic Feasibility, Item 2 and Item 10

The 4/13/15 letter from Mr. Shultz, CFO, Tristar Skyline Medical Center, states that funding support for the \$843,000 projected project cost is available from cash reserves. However, review of what appears to be unaudited financial statements revealed negative entries for same with an ending "Cash & Cash Equivalents" balance of (\$321,059) for the year to date period ending 12/31/14. Please explain how the project can be funded from this source. Please also provide a copy of the most recent audited statements, inclusive of a Balance Sheet, to help further document the availability of funding for the project.

9. Section C, Economic Feasibility, Item 4 and Item 6.A (Proposed Charge Schedules)

Item 4 - The Projected Data Charts are noted. For the main campus chart, the occupancy of approximately 79% in Year 1 appears to match the "Occupancy on Admissions" in the chart provided on page 35 of the application. However, it appears that projected gross revenue in the chart for the main hospital is missing gross revenue, deductions and net revenue entries for observation days. Where are these amounts reflected in the chart?

What impact, if any, does this project have on the main campus hospital's 18% inpatient gross operating revenue increase from 2014 to Year 1 of the project?

Item 6.A - the response with table illustrating charges by clinical classifications is noted. Please include a brief overview of reimbursement for services provided to observation patients, noting similarities to allowable charges by Medicare, as applicable.

10. Section C, Economic Feasibility, Item 9

The projected Medicare Medicaid payor mix for all service lines of the main hospital campus shown in Table 14 is noted. Please also provide a table for the payor mix limited to just the Med-Surg service by completing the table below (*note: please add a column to the table that shows the "Average Gross Charge per day"*)

similar to what was provided for the entire service in the 3rd row of the table on page 47 of the application).

Historical and Projected Service Payor Mix				
Payor Source	Med/Surg Gross Revenue 2014	Year1 Projected Gross Revenue	Year 1 Average Gross Charge Per Day	Year 1 Gross Revenue as a % of Total
Medicare				
TennCare				
Managed care				
Commercial				
Self-Pay				
Other				
Total				

11. Section C, Orderly Development, Item 3

It appears that the applicant plans to increase staffing of the main campus med-surg service from 155 total FTEs to 164 FTEs as a result of the project. Using the FTE and the high annual salary ranges shown in the table on page 56, it appears that the salaries and wages cost before benefits increases from a current cost of approximately \$10.8 million for the current year and Year 1 amounts to approximately \$10.8 million to \$11.4 million in Year 1. Estimating benefits at 35% of base, the amount in Year 1 could reach approximately \$15,403,500. Please clarify how the \$33,055,697 Year 1 projected salary expense shown in line D.1 of the Projected Data Chart on page 45 of the application was determined and why it is significantly higher than the \$15.4 million cost determined from the table on page 56 of the application.

12. Section C, Orderly Development, Item C.III.9

HSDA staff is aware of a notice dated January 20, 2015 on the website of the Office of the Inspector General (OIG), US Department of Health and Human Services pertaining to a recent settlement between Tristar Summit Medical Center in Hermitage, TN and OIG related to allegations that the hospital violated provisions of the Emergency Medical Treatment and Active Labor Act of 1986. The notice can be found on the enforcement action link under civil monetary penalties and exclusions on the website (<https://oig.hhs.gov>). Given Summit Medical Center's relationship to the applicant through common ownership by HCA Holdings, Inc., what was the impact, if any, to the applicant from the settlement with OIG, including measures taken to increase awareness and educate all parties responsible for compliance with the federal law?

13. Applicant and Applicant's Parent Company CON Project Updates

According to HSDA records, the following approved Certificate of Need projects appear to be in progress.

Parkridge Medical Center, CN1408-035A, expires January 1, 2018
Centennial Medical Center, CN1407-032A; expires December 1, 2017
Skyline Medical Center, CN1406-020A, expires November 1, 2017
Summit Medical Center, CN1402-004A, expires July 1, 2017
Hendersonville Medical Center, CN1302-002A, expires August 1, 2016
Natchez Surgery Center, CN1002-001AE; expires July 1, 2015
Parkridge Valley Hospital, CN1202-006AM, expires July 1, 2015
Horizon Medical Center ED, CN1202-008A, expires July 1, 2015

Please provide a 2-3 sentence progress updates towards completion by the CON project expiration date. Please also indicate the date of the most recent Annual Progress Report. It should be noted that Natchez Surgery Center, CN1002-011AME, Horizon Medical Center, CN1202-008A, and Parkridge Valley Hospital, CN1202-006AM have CON expiration dates on July 1, 2015 in which case these projects should be nearing completion and Final Project Reports are imminent. Please contact Alecia Craighead, Stat III if you require any assistance with this request.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application, the sixtieth (60th) day after written notification is June 19, 2015. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4)(d)(2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Resubmittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Grimm", with a stylized flourish at the end.

Jeff Grimm
Health Services Development Examiner

PJG

Enclosure



State of Tennessee

Health Services and Development Agency

Andrew Jackson State Office Building, 9th Floor

502 Deaderick Street, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

April 27, 2015

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 210
Nashville, Tennessee 37215

RE: Certificate of Need Application CN1504-014
TriStar Skyline Medical Center

Dear Mr. Wellborn:

This will acknowledge our April 24, 2015 receipt of your supplemental response regarding your application for a Certificate of need for the net increase of ten (10) medical-surgical beds on the main hospital campus at 3441 Dickerson Pike, Nashville (Davidson County), TN by the renovation of existing spaces and closure of 10 beds at the hospital's satellite campus at 500 Hospital Drive in Madison (Davidson County), TN. The hospital's consolidated 385- bed license will not change as a result of this project.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 10:00 AM, April 30, 2015. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section B, Project Description, Item II.B. (Changes in Bed Complement)

The revised table 3.a-R showing 6 unimplemented ICU beds of the 10 bed increase approved in CN1406-020A is noted. Please also provide the copy of the

documentation from the Department of Health that you referenced in your response.

2. Section C, Need, Item 3 (Service Area) and Section C, Need, Item 5 (Historical Utilization)

The comparison of med-surg admissions by county of residence between the applicant and other HCA hospitals in the service area is noted. Approximately 59.6% of residents from Davidson County were admitted to Skyline's med-surg service in 2014 compared to 35.2% for Centennial, 74.8% and 11.4% for Hendersonville, the closest HCA hospitals in Davidson County to the applicant. Is it reasonable to expect that the applicant's Davidson County patient origin might increase from 59% in CY2014 without some type of impact to Hendersonville Medical Center and Centennial Medical Center? Would this likely result in any changes to how the hospitals coordinate their bed resources in the market? Please briefly discuss.

3. Section C, Economic Feasibility, Item 2 and Item 10

The response appears to mean that the "Intercompany Debt" item in the liabilities section of the Balance Sheet is the entry that identifies approximately \$103 million of cash available to hospital for projects like this in lieu of the "Cash & Cash Equivalents" entry in the current assets section. As such, it would appear that the cash available increased by approximately \$15.4 million during the 12 month period ending 12/31/14. It would be helpful if you could briefly provide additional clarification explaining why the accounting entry for cash available to support projects like this from "Cash Reserves" would not be reflected as a current asset entry in the Balance Sheet.

4. Section C, Economic Feasibility, Item 4 and Item 6.A (Proposed Charge Schedules)

Item 4 - The changes to the Historical and Projected Data Charts (Skyline main campus only) and the applicant's med-surg service are noted.

The changes to the patient days in the Projected Data Chart for the entire main hospital on page 44-R are noted. However, please explain the reason(s) for the decrease of approximately \$14 million in gross operating revenue and an increase of approximately \$1.6 million in operating expenses from the original Projected Data Chart for the main campus.

5. Section C, Orderly Development, Item 3

The response explaining how projected salaries & wages (line D.1) of the Projected Data Chart for the med-surg service was determined is noted.

Per the revised Table 16 on page 56-R, the applicant shows 204 med-surg direct patient care staff, which is actually an increase of 40 full time equivalents (FTE) from the original chart in the application. Since direct patient care FTEs are increasing, please explain why there is a decrease of approximately \$1.7 million in projected Salaries & Wages in the revised chart on page 45-R.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application, the sixtieth (60th) day after written notification is June 19, 2015. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4)(d)(2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Resubmittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,


Jeff Grimm
Health Services Development Examiner

PJG

Enclosure

COPY SUPPLEMENTAL-2

TriStar Skyline Medical Center

CN1504-014

April 29, 2015

2:40 pm

April 28, 2015

Jeff Grimm, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application #1504-014
TriStar Skyline Medical Center

Dear Mr. Grimm:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section B, Project Description, Item II.B. (Changes in Bed Complement)

The revised table 3.a-R showing 6 unimplemented ICU beds of the 10 bed increase approved in CN1406-020A is noted. Please also provide the copy of the documentation from the Department of Health that you referenced in your response.

The letter is attached following this page.

April 29, 2015

2:40 pm



**TENNESSEE DEPARTMENT OF HEALTH
DIVISION OF HEALTH LICENSURE AND REGULATION
OFFICE OF HEALTH CARE FACILITIES
665 MAINSTREAM DRIVE
SECOND FLOOR
NASHVILLE, TN 37243**

August 1, 2014

**STEVE OTTO
TRISTAR SKYLINE MEDICAL CENTER
3441 DICKERSON PIKE
NASHVILLE, TN 37207**

**Facility Type: Hospital
License Number: 23**

Dear Administrator:

Occupancy approval is hereby granted for renovation to include; four (4) bed expansion with a fifth room for storage that will eventually become an isolation room, waiting room, soiled utility and clean utility consisting of 3,226 square feet; effective August 1, 2014. This approval does not affect the licensed bed complement of the hospital. The certificate of need number is n/a. Project number 2014-02-11-01.

Please contact me if I can be of further assistance.

Sincerely,

**Eddie J. Stewart, Licensure Manager
Health Care Facilities
Licensure Unit
LA3**

**cc: West Tennessee Regional Administrator
Health Services and Developmental Agency
Bill Harmon, Plans Review
Dee Ganaway, Office for Information Technology Services**

Page Two
April 28, 2015

2. Section C, Need, Item 3 (Service Area) and Section C, Need, Item 5 (Historical Utilization)

The comparison of med-surg admissions by county of residence between the applicant and other HCA hospitals in the service area is noted. Approximately 59.6% of residents from Davidson County were admitted to Skyline's med-surg service in 2014 compared to 35.2% for Centennial, 74.8% and 11.4% for Hendersonville, the closest HCA hospitals in Davidson County to the applicant.

a. Is it reasonable to expect that the applicant's Davidson County patient origin might increase from 59% in CY2014 without some type of impact to Hendersonville Medical Center and Centennial Medical Center?

In the last five years, all three facilities have experienced increases in their medical-surgical days; and all three have sought and been awarded additional main campus beds (two from their satellites and one as a license increase). So all three could continue to gain census simultaneously, as the regional population around Nashville increases.

Also, many of Skyline's census increases will be Level II trauma cases--a type of admission not available to Hendersonville or to Centennial. So Skyline's growth in that respect will not be at the expense of other TriStar hospitals.

b. Would this likely result in any changes to how the hospitals coordinate their bed resources in the market? Please briefly discuss.

No change is anticipated; the facilities are many miles apart, without significantly overlapping medical staffs.

However, TriStar operates a centralized "Call Center" that continuously monitors bed availability at TriStar hospitals. If Skyline has no bed available when an admission request is made, the admitting physician and the patient can immediately learn of any other TriStar beds that are available in the area, and make a decision on whether to wait at Skyline or to transfer to another hospital.

Page Three
April 28, 2015

3. Section C, Economic Feasibility, Item 2 and Item 10

The response appears to mean that the “Intercompany Debt” item in the liabilities section of the Balance Sheet is the entry that identifies approximately \$103 million of cash available to hospital for projects like this in lieu of the “Cash & Cash Equivalents” entry in the current assets section. As such, it would appear that the cash available increased by approximately \$15.4 million during the 12 month period ending 12/31/14. It would be helpful if you could briefly provide additional clarification explaining why the accounting entry for cash available to support projects like this from “Cash Reserves” would not be reflected as a current asset entry in the Balance Sheet.

The HCA system differs in this regard from that of most hospitals. Skyline does have a current asset account for cash and cash equivalents. But cash is not held there any longer than necessary. It is a “clearing account” into which cash moves daily, and then moves out as quickly as possible to do things like reduce Accounts Receivable.

Nor are the funds held at the Western Reserve Bank for Skyline’s use classified in HCA’s accounting system as current assets. As the hospital draws down on those earmarked funds, the cash will pass into, but quickly out of, the hospital’s current cash account. The financial statement shows Skyline’s “long term debt” account as a liability of -\$103,143,875, which means for practical purposes that this amount is a “negative liability” that is a resource just like a current asset. So as the CFO’s letter states, the funds for this project are (for practical purposes) going to be paid for by Skyline itself.

April 29, 2015**2:40 pm**

Page Four
April 28, 2015

4. Section C, Economic Feasibility, Item 4 and Item 6.A (Proposed Charge Schedules)

Item 4 - The changes to the Historical and Projected Data Charts (Skyline main campus only) and the applicant's med-surg service are noted. The changes to the patient days in the Projected Data Chart for the entire main hospital on page 44-R are noted. However, please explain the reason(s) for the decrease of approximately \$14 million in gross operating revenue and an increase of approximately \$1.6 million in operating expenses from the original Projected Data Chart for the main campus.

In the page 44R revised Projected Data Chart (main campus), gross revenues decreased from the original Chart because gross revenues are projected based on admissions, and admissions were revised downward.

The operating expenses also showed a decrease (not an increase) in the revision, because they too were based on admissions factors. As admissions decrease, so do expenses.

The response explaining how projected salaries & wages (line D.1) of the Projected Data Chart for the med-surg service was determined is noted.

Per the revised Table 16 on page 56-R, the applicant shows 204 med-surg direct patient care staff, which is actually an increase of 40 full time equivalents (FTE) from the original chart in the application. Since direct patient care FTEs are increasing, please explain why there is a decrease of approximately \$1.7 million in projected Salaries & Wages in the revised chart on page 45-R.

The salaries and wages projection decreased because it is calculated as a function of the patient days. Upon reviewing the first submittal, management found that some ICU days had been mistakenly included in the original calculation (for patients who had temporarily been taken to med-surg units and then returned to ICU). After removing those ICU days, the wage and salary projection (which is based on days of care) decreased.

The FTE revision was the result of counting additional nursing units that had not been included in the original grouping. The revised Staffing Table 16 is now representative of the entire medical-surgical component of the hospital.

April 29, 2015**2:40 pm**

9a. Bed Complement Data Skyline Medical Center--Main Campus Only
(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical	103		102	+10	113
B. Surgical	34		34		34
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU	39	6	39		45
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation	41		41		41
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL CAMPUS	217	6	216	+10	233

10. Medicare Provider Number: Acute - 44-0006,
Rehab 44-T006, Psych – 44-S006

11. Medicaid Provider Number: 044-0006

April 29, 2015**2:40 pm**

9c. Bed Complement Data ***Combined Main and Madison Campuses***
(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical	140		102		140
B. Surgical	34		34		34
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU	43	6	39		49
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric	66		66		66
I. Geriatric Psychiatric	20		20		20
J. Child/Adolesc. Psych.	21		21		21
K. Rehabilitation	41		41		41
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency	14		14		14
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL HOSPITAL	379	6	337		385

satellite's remaining medical-surgical beds to the main campus to deal with severe bed shortages,. A future fourth phase is anticipated, which will complete the transfer of all TriStar Skyline's general acute care beds from its Madison satellite campus to its main campus. That phase will involve new construction.

- This 10-bed transfer (third phase) is very much needed. Bed availability has become a major problem at the main campus. Medical-surgical admissions and patient days continue to increase and those beds have high occupancies. As its neurosciences program continues to grow, and with its recent provisional designation as a Level II trauma Center, Skyline's need for beds will continue to increase.
- The data support this application. This year, based on annualizing 1st Quarter utilization, Skyline's approved main campus beds will exceed 87% average occupancy and its approved medical-surgical beds will exceed 88% occupancy. This includes bed use for observation patients, who are now 13% of all medical-surgical patient days, and are 10.7% of medical-surgical and intensive care days combined. Even with the proposed transfer of 10 beds from the Madison satellite, within two years total beds will be occupied at more than 89%, and medical-surgical beds will be occupied at more than 88%.

Existing Resources

- The most significant existing resource for this project is Skyline's unstaffed medical-surgical bed capacity on its Madison campus. That is the internal resource to be used for this project.
- The most recent (2013) Joint Annual Reports for Hospitals indicated that there are 12 *general* hospital facilities in the four-county primary service area, with a total of 4,254 licensed acute care beds. This excludes facilities or campuses dedicated to psychiatric, rehabilitation, and long term acute care services. This ten-bed transfer from one part of Davidson County to another will not affect those facilities in any significant way.

Project Cost, Funding, Financial Feasibility, and Staffing

- The estimated cost of the project is \$843,000, all of which will be provided by TriStar Skyline Medical Center from its operating income.
- Skyline's utilization ensures that the proposed beds will operate at high occupancy and with a positive financial margin.
- With growth in census continuing, RN staffing in the medical-surgical department will increase 6%.

TriStar Skyline Medical Center

- The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission.
- It is accredited by the Commission on Cancer and received that body's Outstanding Achievement Award in 2012.

April 29, 2015

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**Skyline Medical Center
Notes to Other Expenses
Projection Charts**

D. (8) Other Expenses:	2016		2017		2016		2017	
		Proj Main		Proj Main		Proj Med-surg		Proj Med-surg
Professional Services		5,647,874		5,891,602		2,238,487		2,339,605
Contract Services		20,342,074		21,219,915		8,062,408		8,426,607
Repairs and Maintenance		4,618,826		4,818,146		1,830,632		1,913,327
Utilities		2,422,370		2,526,905		960,086		1,003,455
Insurance		1,181,460		1,232,444		468,261		489,414
Investment Income		0		0		0		0
Interest income & sale of assets		(75,665)		(78,931)		(29,989)		(31,344)
Legal and Accounting Services		349,141		364,208		138,379		144,630
Marketing Expenses		593,432		619,041		235,202		245,826
Postage		231,320		241,302		91,682		95,823
Travel and Entertainment		207,539		216,495		82,256		85,972
Dues and Subscriptions		156,735		163,499		62,121		64,927
Education and Development		304,823		317,977		120,814		126,271
Recruiting		759,896		792,688		301,178		314,783
Licenses, permits and software		729,630		761,116		289,183		302,246
		37,469,454		39,086,410		14,850,700		15,521,543

April 29, 2015**2:40 pm****C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.**

The Projected Data Chart and charge information in the application demonstrate that the medical-surgical beds of this hospital will be cost-effective, and will operate with a positive financial margin.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

The proposed expanded medical-surgical beds will be sufficiently utilized in their first two years to operate with a positive financial margin. Cash flow is positive and will remain so.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

Skyline Medical Center serves all of the groups listed above. Skyline projects hospital-wide charity at approximately 1% of gross revenues; and Medicare and TennCare/Medicaid at a combined 65% of services.

**Table Fourteen: Medicare and TennCare/Medicaid Gross Revenues, Year One
Skyline Medical Center**

	Medicare	TennCare/Medicaid
Gross Patient Revenue	\$746,939,527	\$205,042,223
Percent of Gross Pat. Revenue	51%	14%

Source: Hospital management

April 29, 2015**2:40 pm****C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.**

Following are the facilities which Skyline most frequently utilizes in its discharge planning:

Skilled Nursing--Creekside Health and Rehabilitation Center, Grace Healthcare of Whites Creek, Vanco Manor Nursing and Rehabilitation Center, Greenhills Health and Rehabilitation Center, West Meade Place, the Bridge at Highland, LifeCare Center of Old Hickory, and NHC of Hendersonville.

Hospice- Alive Hospice, Odyssey, Avalon, Asera Care

Home Health- Suncrest, Gentevia, and Amedysis Home Health Care of Middle TN, NHC Home Care, WillowBrook Home Care, CareSouth

Home Infusion- Walgreens, Amerita, Coram

DME- Medical Necessities, At Home Medical, Apria, Aerocare, Oxycare of TN

Skyline Medical Center is fully contracted with all available TennCare MCO's in the Middle Tennessee Region. They are as follows:

Table One (Repeated): Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	Available TennCare MCO's
AmeriGroup	AmeriGroup
United Healthcare Community Plan	United Healthcare Community Plan
Bluecare	Bluecare
TennCare Select	TennCare Select

April 29, 2015

2:40 pm

Page Five
April 28, 2015

Additional Items From the Applicant
(attached after the end of this letter)

- a. Revised page 3aR2 (Part A, main campus bed data) is submitted with two irrelevant footnotes deleted. The asterisked footnotes were held over from a prior approved Skyline CON application and should have been deleted from page 3a when the current CON application was submitted.
- b. To be consistent with page 3aR2 above, Revised page 3cR (Part A, combined campuses, bed data) is submitted. On line E, current licensed beds are 43 (4 remaining at Madison and 39 open at main campus). Approved beds not in service are 6 beds. Staffed beds are 337--121 at Madison and 216 at main campus.
- c. Revised page 6R2 (Executive Summary) is submitted with the third sentence from the bottom (staffing) shortened to refer only to the med-surg department.
- d. Revised page 46R (Notes itemizing expenses) is submitted to update it to agree with revised Projected Data Charts submitted to you April 24.
- e. Revised page 51R (Table Fourteen) is submitted to update it to agree with the gross patient revenue change in the revised Projected Data Charts submitted to you April 24.
- f. Revised page 53R (Table One, MCO's) is submitted to include TennCare Select, to match Table One at the beginning of the original application.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn
Consultant

April 29, 2015

2:40 pm

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

SKYLINE MEDICAL CENTER

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.



John Wellborn
Signature/Title
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 29th day of April, 2015,
witness my hand at office in the County of DAVIDSON, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires July 2, 2018.

SUPPLEMENTAL - #1 -ORIGINAL-

TriStar Skyline Medical Ctr.

CN1504-014

April 24, 2015

Jeff Grimm, HSD Examiner
Tennessee Health Services and Development Agency
Andrew Jackson Building, 9th Floor
502 Deaderick Street
Nashville, TN 37243

RE: CON Application #1504-014
TriStar Skyline Medical Center

Dear Mr. Grimm:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit.

1. Section B, Project Description, Item II.A

The tables showing the proposed bed changes on page 8 is noted. However, the total bed count in Table B for the Madison satellite campus appears to be in error from the information shown on replacement page 3.a of the application. Please revise the table and submit a replacement page 8-R in your response.

As discussed by phone, it appears that three pages in the submitted application need amendment in order to clarify utilization data for this project. The following revised pages are attached:

Revised Part A.9, page 3a-R: We understand that you want this page to show beds under construction as of the day of filing, and not as of the time the Board will review it. Page 3a-R does that by changing the ICU data to 39 currently licensed beds, 6 more approved and under construction, and 39 currently staffed. The column totals are changed accordingly. The page also corrects a typo in staffed rehabilitation beds; they are 41, not 4.

Revised page 8R: Table Two-B on that page now shows current approved licensed beds at Madison as 162 (not 172) and proposed licensed beds as 152 (not 162).

Page Two
April 24, 2015

Revised page 35R: We understand that although licensed beds may be put into service anytime during the year, you prefer that Table Ten show the beds licensed by the end of each year. So page 35R, Table Ten, now shows 45 ICU beds for 2015, although 6 of those are still under construction with a completion date later this year.

When revising Table Ten, hospital management discovered that the ICU admissions for 2015 had a higher ALOS than in 2014. So page 35R now shows 3,232 ICU admissions in 2015 (annualized from Q1 2015), with an ALOS of 4.17 days. The 2016 and 2017 ICU admissions are still projected at 3.5% annual growth over 2015; the ALOS is at 4.17 days in all projection years.

These changes generated slightly different occupancy data, which requires revisions on three pages whose narratives reference the amended tables. Attached are revised pages 6R (Executive Summary referencing Table Ten occupancies in 2015 and 2017); 15R (referencing Table Ten occupancies); and 34R (describing Table Ten projection methodologies).

9a. Bed Complement Data Skyline Medical Center--Main Campus Only
(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical	103		102	+10	113
B. Surgical	34		34		34
C. Long Term Care Hosp.					
D. Obstetrical					
E. ICU/CCU	39	6	39		45
F. Neonatal					
G. Pediatric					
H. Adult Psychiatric					
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation	41		41		41
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL CAMPUS	217	6	216	+10	233

*- 4 m/s bed spaces being moved to ICU; +3 m/s beds being added on 4th-5th floors.

**+5 ICU beds + 6 neuro ICU beds being added in adjoining spaces on 2nd floor.

10. Medicare Provider Number: Acute - 44-0006,
Rehab 44-T006, Psych – 44-S006

11. Medicaid Provider Number: 044-0006

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.*) INCLUDING SQUARE FOOTAGE, MAJOR AREAS, ROOM CONFIGURATION, ETC.

A. Tables of Proposed Bed Changes

Table Two-A: Proposed Bed Changes at Skyline's Main Campus			
	Current Approved Licensed Beds	Proposed Licensed Beds	Change in Licensed Beds
Medical-Surgical	137	147	+10
Intensive Care	45	45	no change
Rehabilitation	41	41	no change
Total Hospital	223	233	+10 (+4.5%)

Table Two-B: Proposed Bed Changes at Skyline's Satellite Madison Campus			
	Current Approved Licensed Beds	Proposed Licensed Beds	Change in Licensed Beds
Medical-Surgical	37	27	-10
Intensive Care	4	4	no change
Behavioral	121	121	no change
Total Hospital	162	152	- 10 (-5.8%)

Table Two-C: Proposed Bed Changes at Skyline's Consolidated Campuses			
	Current Licensed Beds	Proposed Licensed Beds	Change in Licensed Beds
Medical-Surgical	174	174	no change
Intensive Care	49	49	no change
Rehabilitation	41	41	no change
Behavioral	121	121	no change
Total Hospital	385	385	no change

Table Ten: Skyline Medical Center Main Campus
Actual and Projected Licensed Bed Utilization, CY2012-2018
REVISED APRIL 23, 2015

	Actual 2012	Actual 2013	Actual 2014	Projected 2015	Year One Projected 2016	Year Two Projected 2017
Total Beds	213	213	218	223	233	233
Admissions	9,798	10,033	10,935	11,444	11,820	12,208
Patient Days	52,352	55,814	59,826	65,196	67,146	69,161
ALOS on Admissions	5	5.6	5.5	6	6	6
ADC on Admissions	143.4	152.9	163.9	178.6	184.0	189.5
Occupancy on Admissions	67.3%	71.8%	75.2%	80.1%	79.0%	81.3%
23-Hour Observation Days	4,309	4,368	6,167	6,204	6,421	6,646
Total Bed Days	56,661	60,182	65,993	71,400	73,567	75,807
Total ADC	155.2	164.9	180.8	195.6	201.6	207.7
Total Occupancy	72.9%	77.4%	82.9%	87.7%	86.5%	89.1%
Medical-Surgical Beds	138	138	138	137	147	147
Admissions	6,483	6,569	6,978	7,220	7,473	7,734
Patient Days	31,770	33,398	36,150	38,440	39,785	41,178
ALOS on Admissions	4.9	5.1	5.2	5.3	5.3	5.3
ADC on Admissions	87.0	91.5	99.0	105.3	109.0	112.8
Occupancy on Admissions	63.1%	66.3%	71.8%	76.9%	74.2%	76.7%
23-Hour Observation Days	4,091	4,145	5,804	5,724	5,924	6,132
Total Bed Days	35,861	37,543	41,954	44,164	45,710	47,310
Total ADC	98.2	102.9	114.9	121.0	125.2	129.6
Total Occupancy	71.2%	74.5%	83.3%	88.3%	85.2%	88.2%
ICU Beds	34	34	39	45	45	45
Admissions	2,564	2,629	3,066	3,232	3,345	3,462
Patient Days	9,830	10,431	11,579	13,476	13,948	14,436
ALOS on Admissions	3,834	3,968	3,777	4,170	4,170	4,170
ADC on Admissions	26.9	28.6	31.7	36.9	38.2	39.6
Occupancy on Admissions	79.2%	84.1%	81.3%	82.0%	84.9%	87.9%
23-Hour Observation Days	218	223	363	480	497	514
Total Bed Days	10,048	10,654	11,942	13,956	14,444	14,950
Total ADC	27.5	29.2	32.7	38.2	39.6	41.0
Total Occupancy	81.0%	85.9%	83.9%	85.0%	87.9%	91.0%
Rehabilitation Beds	41	41	41	41	41	41
Admissions	751	835	891	992	1,002	1,012
Patient Days	10,752	11,985	12,097	13,280	13,413	13,547
ALOS on Admissions	14,317	14,353	13,577	13,387	13,387	13,387
ADC on Admissions	29.5	32.8	33.1	36.4	36.7	37.1
Occupancy on Admissions	71.8%	80.1%	80.8%	88.7%	89.6%	90.5%
23-Hour Observation Days	0	0	0	0	0	0
Total Bed Days	10,752	11,985	12,097	13,280	13,413	13,547
Total ADC	29.5	32.8	33.1	36.4	36.7	37.1
Total Occupancy	71.8%	80.1%	80.8%	88.7%	89.6%	90.5%

Source: Skyline management.

satellite's remaining medical-surgical beds to the main campus to deal with severe bed shortages,. A future fourth phase is anticipated, which will complete the transfer of all TriStar Skyline's general acute care beds from its Madison satellite campus to its main campus. That phase will involve new construction.

- This 10-bed transfer (third phase) is very much needed. Bed availability has become a major problem at the main campus. Medical-surgical admissions and patient days continue to increase and those beds have high occupancies. As its neurosciences program continues to grow, and with its recent provisional designation as a Level II trauma Center, Skyline's need for beds will continue to increase.
- The data support this application. This year, based on annualizing 1st Quarter utilization, Skyline's approved main campus beds will exceed 87% average occupancy and its approved medical-surgical beds will exceed 88% occupancy. This includes bed use for observation patients, who are now 13% of all medical-surgical patient days, and are 10.7% of medical-surgical and intensive care days combined. Even with the proposed transfer of 10 beds from the Madison satellite, within two years total beds will be occupied at more than 89%, and medical-surgical beds will be occupied at more than 88%.

Existing Resources

- The most significant existing resource for this project is Skyline's unstaffed medical-surgical bed capacity on its Madison campus. That is the internal resource to be used for this project.
- The most recent (2013) Joint Annual Reports for Hospitals indicated that there are 12 *general* hospital facilities in the four-county primary service area, with a total of 4,254 licensed acute care beds. This excludes facilities or campuses dedicated to psychiatric, rehabilitation, and long term acute care services. This ten-bed transfer from one part of Davidson County to another will not affect those facilities in any significant way.

Project Cost, Funding, Financial Feasibility, and Staffing

- The estimated cost of the project is \$843,000, all of which will be provided by TriStar Skyline Medical Center from its operating income.
- Skyline's utilization ensures that the proposed beds will operate at high occupancy and with a positive financial margin.
- With growth in census continuing, RN staffing in the medical-surgical department will increase 6%, of a total of 984 FTE's. Total staffing of that department including clerical positions will increase by 6.1%.

TriStar Skyline Medical Center

- The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission.
- It is accredited by the Commission on Cancer and received that body's Outstanding Achievement Award in 2012.

A future fourth phase may be proposed at a later time, requiring new construction. If approved, that final phase will complete the transfer of all TriStar Skyline's unused licensed general acute beds (medical-surgical and critical care) from its Madison satellite campus to its main campus.

This third phase is very much needed at the main campus, which recently became Davidson County's second designated Trauma Center--a Level II Trauma Center serving the north parts of the greater Nashville area. Bed availability has become a major problem. Medical-surgical admissions and patient days continue to increase and those beds have high occupancies during the workweek. As its neurosciences program continues to grow, and with its new provisional designation as a Level II trauma Center, Skyline's need for beds will continue to increase.

By the end of 2015, based on annualizing 1st Quarter utilization, Skyline's 223 total approved main campus beds will have been at 87.7% average occupancy; and its approved medical-surgical beds will have exceeded 88% occupancy. This includes bed use for observation patients, who are now 13% of all medical-surgical patient days, and are 10.7% of medical-surgical and intensive care days combined. Even with the proposed transfer of 10 beds from the Madison satellite, within two years total beds will be occupied at more than 89%, and medical-surgical beds will be occupied at more than 88%.

Table Four below shows by calendar quarter the average occupancy of the applicant's medical-surgical beds in CY2014-CY2015, both with and without bed days used by observation patients. This is based on 365 days a year. Medical-surgical occupancy calculated on Monday-Friday bed availability, the workweek for most medical-surgical activity, has been even higher.

Table Four: Skyline Main Campus--Medical / Surgical Bed Occupancies On Seven-Day Week CY2014-First Quarter of CY2015					
	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Occupancy (includes observation patients)	83%	83%	86%	85%	89%
Occupancy (excludes observation patients)	71%	71%	73%	72%	77%

Sources and Assumptions For the Utilization Table

Throughout the table, historical data is from hospital internal records. Projected data is based on the following methodologies.

1. Medical-surgical admissions increased an average of approximately 3.5% per year from 2012 through 2014. Based on annualizing Q1 2015, that 3.5% annual admissions increase is continuing. This application projects it will continue through Year Two (CY2017). Medical-surgical average length of stay (ALOS; or LOS) has been 5.3 days in Q1 2015 and that ALOS is projected to continue through Year Two. Medical-surgical observation days were approximately 15% of medical-surgical discharge days in CY2014; they are projected to hold at that same percentage through Year Two.

2. In Q1 2015, 39 ICU beds were in service and 6 more approved beds were under construction (scheduled to open late in 2015). Q1 2015 admissions to those 39 ICU Beds filled them to 98% occupancy. Higher occupancy is not possible until the 6 ICU beds under construction open in late 2015. The hospital is projecting 2015 by annualizing Q1 admissions, and assuming a 3.5% compound growth rate in admissions in 2016 and in 2017 due to availability of more capacity coming on line.

3. CY2015 rehabilitation admissions are projected by annualizing Q1 2015 admissions. Thereafter, rehabilitation admissions are projected to increase 1% per year through Year Two. ALOS is projected to remain constant at Q1 2015 levels.

Page Three
April 24, 2015

2. Section B, Project Description, Item II.B. (Changes in Bed Complement)

a. Review of the table on page 3.a shows no CON unimplemented beds from the bed changes recently approved in CN1406-020A. Please identify the date the med-surg and ICU beds went into service and provide any related documentation of same from the Department of Health, if available.

Please see the response to your question #1 above. The med-surg beds and 5 of the 11 ICU beds approved in CN1406-020 were opened for admissions by October 1, 2014. (Since these were implemented in existing patient room space, TDH had given occupancy approval August 1, prior to the September CON decision. See attached TDH document.)

The remaining 6 ICU beds are under construction and are scheduled to open before the end of 2015.

b. The staffed beds column of the table shows 1 unstaffed med-surg bed of the 103 licensed med-surg beds at the main campus. Will this bed be placed into service to coincide with the transfer of 10 beds from the Madison satellite facility at project completion? Please clarify.

On the seventh floor there are 35 licensed spaces but only 34 licensed spaces with beds. All 34 are staffed. TriStar Skyline is planning a larger project for bed additions this year or next, with a new patient floor. If granted CON approval, that project will relocate and staff that remaining bed.

Page Four
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c. Please clarify the change from private rooms to semi-private rooms mentioned in the executive summary and in the last paragraph of this item on page 13. How would the change to less privacy and the need for coordinating room assignments for patient compatibility purposes facilitate the project's focus on quick relief for severe bed shortages in peak periods?

Although we recognize that consolidating private rooms to semi-private rooms may be counterintuitive to relieving the pressure of capacity, we have spoken at length to hospitalists within the facility about this issue. They have stated that for some Rehab patients, a semiprivate room may actually be beneficial to patient recovery, as there is a social factor for several Rehab patients and placing them in a room to socialize with another will significantly help. This is true especially for those who are victims of stroke, etc. With the current capacity, there will always be an opportunity to cohort the "right" patients in the semiprivate rooms. This is in reference to patients of the same background/gender/age/diagnosis. Skyline is committed to working with the physicians, staff, patients and their families to ensure that the patient's satisfaction is the central focus of all decisions.

3. Section B, Project Description, Item II.C, and Section C, Need, Item 1(Project Specific Criteria: Replacement of Health Care Institutions, Item 3.a)

a. The applicant discusses the need for additional beds to minimize waiting times at the main campus. What are average waiting times for med-surg service in the most recent 12 month period and how will this project reduce same?

Skyline records the wait times or holding hours in the Emergency Department. But accessible records do not show whether those holding patients are ultimately admitted to medical-surgical or ICU beds. It is the purpose of this application to ensure that enough medical-surgical beds are moved from the satellite to the main campus in time to prevent critical levels of holding hours.

In CY2014, the ED recorded 11,788 hours of patient wait time for a bed on the nursing units. In the first quarter of CY2015, wait time totaled 4,407 hours. If the first quarter's experience is annualized, it projects that in CY2015 there will be 17,628 hours of ED wait time--a 50% increase in wait time over CY2014. More beds are obviously needed.

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b. In addition, the applicant discusses increases in occupancy due to the impact of the hospital's new provisional Level II Trauma designation. Please provide an update from Skyline's last approved similar CON project (CN1406-020A) by completing the table below:

Emergency Department	2011	2012	2013	2014*	Projected 2015	Year 1 2016	Year 2 2017
ED Patient Visits	50,749	54,742	54,598	60,069	61,388	63,537	65,760
% of Admissions through ED	60.9%	62.9%	65.4%	67.1%	73.8%	74.8%	75.8%

**Trauma Center Designation received in 2014.*

c. Does the projected annualized bed occupancy of 90% for the med-surg service at the main campus in CY2014-CY2015 include the occupancy of the additional 10 med-surg and ICU beds approved for transfer from the Madison Satellite to the main hospital campus in CN1406-020A? *Note: since occupancy calculations are also provided on page 35, the applicant should ensure that the occupancy calculations match the response requested in Item 7 below of this supplemental questionnaire (Section C, Need, Item 6 - Applicant's Historical & Projected Utilization.*

CN1406-020 transferred only ICU beds from Madison; the main campus med-surg beds were relocations of licensed spaces within the main campus. In fact, the med-surg beds actually decreased by one bed in that project, from 138 to 137 beds. The beds in CN1406-020 have not all been implemented. Please see the responses to your question #1 and revised Table Ten, page 35R.

In the revised Table Ten, annual med-surg bed occupancies are 83.3% on 138 beds in 2014, and 88.3% on 137 beds in 2015. The annual ICU occupancies are 83.9% on 39 beds in 2014, and 85% on all 45 beds that will be in service by the end of 2015. The total licensed hospital bed occupancies are 82.9% in 2014 on 213 beds, and 87.7% in 2015 on 223 total beds.

Please note that the table shows patient days, not discharge days as reported in the 2012-2013 JAR's. The reason is that the hospital uses patient days to generate financial reports and the applicant wants to be consistent throughout the application.

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4. Section C, Need, Item 1. (Service Specific Criteria-Acute Care Bed Services, #1)

a. The applicant identifies a surplus of 942 acute care hospital beds in the 4-county proposed service area based on projections by TDH as shown in the table on pages 21 and 22 of the application. The table shows a 4,454 licensed bed count from the TDH data in lieu of the 4,244 total licensed beds (excluding rehab, psychiatric and LTAC beds) shown in the table on page 32, a difference of 210 licensed beds. What facilities in Davidson and Sumner Counties might help explain the 210 bed difference?

The applicant cannot speak for what facilities the TDH included in its calculations. It may be that they included dedicated rehabilitation, psychiatric, or LTAC beds. The Agency may wish to inquire with TDH.

The applicant excluded from Table Nine, page 32, the following Davidson County facilities. The Licensure website provides the following data on their current licensed bed count (which may not be the same date of bed license data used by TDH in its Bed Need projections).

Kindred Hospital (Rehabilitation)	60 beds
Select Specialty Hospital (LTAC)	70 beds
Vanderbilt Stallworth Rehabilitation Hospital	<u>80 beds</u>
Total Excluded By Applicant	210 beds

b. Recent approved CON projects for hospitals in Davidson County will soon add 145 total licensed beds, including 98 med-surg beds, to the acute care bed inventory in the applicant's 4-county service area. These are as follows:

Summit Medical Center, CN1402-004A; change in bed complement from 188 to 196 total beds (8 additional med-surg beds)

Centennial Medical Center, CN1407-032A; change in bed complement from 659 to 686 total beds (29 additional med-surg beds)

Vanderbilt University Hospitals, CN1406-021A; change in bed complement from 1,025 to 1,159 total beds (includes 61 additional med-surg beds)

Since two of the 3 approved CON projects involve the addition of 37 med-surg beds by HCA hospitals in Davidson County, how many of the additional beds were placed in service as of 3/31/15? If none, what is the anticipated implementation date? Please clarify.

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Summit Medical Center completed its 8-bed addition in December 2014 and is currently licensed for 196 beds. Centennial Medical Center's recently granted CON for 29 additional beds has been appealed by an opponent. The project's implementation date therefore is not predictable. The applicant has no information on Vanderbilt Medical Center's implementation schedule.

5. Section C, Need, Item 2

In addition to the long range plans please include a brief overview of highlights pertaining to key development plans that have been implemented and/or completed at the main hospital campus since its opening.

Skyline Medical Center has grown significantly due to the following factors: becoming a comprehensive Stroke Center and obtaining Level II Trauma provisional designation in June, 2014. In addition, we have worked to improve our relationship with EMS during our journey to obtain Trauma designation. The result has been a large increase in ED volume over the past year, and in turn an increase in inpatient admissions.

6. Section C, Need, Item 3 (Service Area) and Section C, Need, Item 5 (Historical Utilization)

a. What are the primary clinical diagnosis codes used by the applicant from its information system to support the med-surg patient admissions volumes shown in the table in the response on page 28 for this item?

Codes were not used by the applicant because they could not provide information specific to medical-surgical patient origin. Skyline's patient origin data came from the hospital's internal records for admissions to what the hospital defines as its "medical-surgical" units. Primary diagnosis codes are assigned to each admitted patient, but they are not associated exclusively with medical-surgical admissions. For example, an admission with a stroke code might be placed in either an intensive care unit or a medical-surgical unit, depending on acuity. And the patient will move between those types of beds as acuity changes.

For that reason, it appears that THA databases of primary codes, DRG's, etc. cannot be used to accurately identify hospitals' utilization of their designated medical-surgical units. The database's primary clinical diagnosis codes might have been associated with use of several types of beds, e.g., medical-surgical, intensive care, or even OB/gyn beds.

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b. Using this information, how does the patient origin for the applicant's med-surg service compare to other Tri-Star HCA hospitals in the service area for the CY2013 period indicated?

The applicant cannot provide code-related data for medical-surgical admissions. Attached following this page is medical-surgical patient origin information you requested for the other TriStar hospitals in the service area, taken from each hospital's internal records and based on its admissions to the units designated by that hospital as medical-surgical units.

7. Section C, Need, Item 6 (Applicant's Historical and Projected Utilization)

a. For the main hospital campus beds, the "Projected-2015" column in the table provided on page 35 for this item shows 137 med-surg beds and 217 total beds. However, the current bed complement shown in the tables on page 3.a and page 8 show 137 med-surg and 223 total beds. Please review the bed complement and related occupancy metrics shown in the table. If in error, please revise the table and submit as replacement page 35-R.

This has been resolved in the responses to your question #1 above.

b. Please also address how the transfer of the 10 beds approved in CN1406-020A is reflected in the current and projected bed complement.

That CON transferred ICU beds, not medical-surgical beds. In revised Table Ten, page 35R, the med-surg beds (-1 bed net) are shown as implemented in CY2015. The 11 ICU approved ICU beds are shown as implemented in 2015 because they will all be open this year. This year 5 of them have been open; the remaining 6 will be completed this Fall.

As mentioned in the response to your question #1, Table Ten revised now shows beds that are expected to open at anytime during 2015, 2016, and 2017.

**Centennial Medical Center
Medical - Surgical Admissions
January - December 2014**

County - State	Cases		Cumulative %
DAVIDSON - TN	4,793	35.2%	35%
CHEATHAM - TN	736	5.4%	41%
SUMNER - TN	716	5.3%	46%
WILLIAMSON - TN	665	4.9%	51%
DICKSON - TN	647	4.7%	55%
RUTHERFORD - TN	629	4.6%	60%
MONTGOMERY - TN	455	3.3%	63%
WILSON - TN	393	2.9%	66%
ROBERTSON - TN	378	2.8%	69%
COFFEE - TN	359	2.6%	72%
MAURY - TN	312	2.3%	74%
HUMPHREYS - TN	209	1.5%	76%
HICKMAN - TN	194	1.4%	77%
LAWRENCE - TN	155	1.1%	78%
WARREN - TN	148	1.1%	79%
DEKALB - TN	140	1.0%	80%

**Southern Hills
Medical - Surgical Admissions
January - December 2014**

County - State	Cases		Cumulative %
DAVIDSON - TN	2,118	74.8%	75%
RUTHERFORD - TN	190	6.7%	81%
WILLIAMSON - TN	157	5.5%	87%

**Summit Medical Center
Medical - Surgical Admissions
January - December 2014**

County - State	Cases	Percent	Cumulative %
DAVIDSON - TN	4,190	57.2%	57%
WILSON - TN	2,258	30.8%	88%

**Hendersonville Medical Center
Medical - Surgical Admissions
January - December 2014**

County - State	Cases		Cumulative %
SUMNER - TN	2,471	73.3%	73%
DAVIDSON - TN	386	11.4%	85%
ROBERTSON - TN	250	7.4%	92%

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8. Section C, Economic Feasibility, Item 2 and Item 10

The 4/13/15 letter from Mr. Shultz, CFO, Tristar Skyline Medical Center, states that funding support for the \$843,000 projected project cost is available from cash reserves. However, review of what appears to be unaudited financial statements revealed negative entries for same with an ending “Cash & Cash Equivalents” balance of (\$321,059) for the year to date period ending 12/31/14. Please explain how the project can be funded from this source. Please also provide a copy of the most recent audited statements, inclusive of a Balance Sheet, to help further document the availability of funding for the project.

There are no audited financial statements at the hospital level in the HCA system.

All HCA hospitals including the TriStar hospitals participate in a vertically integrated cash management system, in which an “Intercompany Debt” item indicates cash available to hospitals for projects such as this. This is cash on deposit with Western Plains Capital, to which TriStar Skyline Medical Center has access for every approved building project. Please see the second page of the submitted Skyline balance sheet for that account. Ignore the “-“ sign; that does not indicate a negative balance. The entry shows that there is currently \$103 million available in that account for Skyline’s use.

As this project starts its implementation, Mr. Shultz and Skyline will draw down on that account for the funds needed for this project.

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9. Section C, Economic Feasibility, Item 4 and Item 6.A (Proposed Charge Schedules)

a. Item 4 - The Projected Data Charts are noted. For the main campus chart, the occupancy of approximately 79% in Year 1 appears to match the "Occupancy on Admissions" in the chart provided on page 35 of the application. However, it appears that projected gross revenue in the chart for the main hospital is missing gross revenue, deductions and net revenue entries for observation days. Where are these amounts reflected in the chart?

All financial statistics on the revised Historic and Projected Development Charts include admitted inpatients, observation patients, and outpatients. The revenues associated with observation patients are included in the "outpatient" revenue line because they are not categorized as inpatient by Medicare and insurers, though their stays may vary from a few hours through a few days.

Following this page are revised pages 42R, 44R, and 45R. Each shows patient (not discharge) days at the top of each column. Each now includes "total days including observation days" at the top of each column.

Each includes revenues for observation patients, in addition to revenues for admitted patients. Page 45R (Projected Data Chart, Med-Surg) needed to be amended to include observation revenues in the "outpatient" line; but observation revenues were already in the revenues for the other two charts.

Because the medical-surgical Projected Data Chart is amended, it is also necessary to revise Table Eleven on page 47, to reflect the use of total days when calculating the per day statistics. Revised page 46R, Table Eleven, is attached following page 45R after this page.

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HISTORICAL DATA CHART — SKYLINE MEDICAL CENTER, MAIN CAMPUS ONLY

Give information for the last three (3) years for which complete data are available for the facility or agency.
The fiscal year begins in January.

		Year 2012	Year 2013	Year 2014
	Admissions	9798	10033	10935
A.	Utilization Data Patient Days	52352	58814	59826
	Total Days Including Observation Days	56,661	60,182	65,993
B.	Revenue from Services to Patients			
1.	Inpatient Services	\$ 555,136,000	627,267,000	746,682,000
2.	Outpatient Services	306,638,000	339,750,000	402,452,000
3.	Emergency Services	66,953,000	78,427,000	105,430,000
4.	Other Operating Revenue	162,000	148,000	106,000
	(Specify) <u>Space rental, catering, vending, misc other</u>			
	Gross Operating Revenue	\$ 928,889,000	\$ 1,045,592,000	\$ 1,254,670,000
C.	Deductions for Operating Revenue			
1.	Contractual Adjustments	\$ 721,834,000	826,980,000	1,012,522,000
2.	Provision for Charity Care	10,433,000	13,526,000	12,580,000
3.	Provisions for Bad Debt	22,328,000	28,681,000	29,293,000
	Total Deductions	\$ 754,595,000	\$ 869,187,000	\$ 1,054,395,000
	NET OPERATING REVENUE	\$ 174,294,000	\$ 176,405,000	\$ 200,275,000
D.	Operating Expenses			
1.	Salaries and Wages	\$ 63,912,000	68,512,000	76,283,000
2.	Physicians Salaries and Wages	0	0	0
3.	Supplies	27,660,000	27,786,000	32,244,000
4.	Taxes	1,464,000	1,388,000	1,279,000
5.	Depreciation	5,036,000	5,335,000	6,093,000
6.	Rent	1,211,000	1,352,000	1,528,000
7.	Interest, other than Capital	(2,498,000)	(3,684,000)	(4,647,000)
8.	Management Fees	10,064,000	12,042,000	12,808,000
	a. Fees to Affiliates	10,064,000	12,042,000	12,808,000
	b. Fees to Non-Affiliates	0	0	0
9.	Other Expenses (Specify) <u>See Attachment A</u>	28,974,000	30,249,000	34,664,000
	Total Operating Expenses	\$ 135,823,000	142,980,000	160,252,000
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 38,471,000	\$ 33,425,000	\$ 40,023,000
F.	Capital Expenditures			
1.	Retirement of Principal	\$	\$	\$
2.	Interest			
	Total Capital Expenditures	\$ 0	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)			
	LESS CAPITAL EXPENDITURES	\$ 38,471,000	\$ 33,425,000	\$ 40,023,000

PROJECTED DATA CHART-- SKYLINE MEDICAL CENTER, MAIN CAMPUS ONLY

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Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		CY2016	CY 2017
	Admissions	11,820	12,208
A.	Utilization Data Patient Days	67,146	69,161
	Total Days Including Observation Days	73,567	75,807
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 871,682,098	\$ 972,319,345
2.	Outpatient Services	469,825,446	524,067,628
3.	Emergency Services	123,079,763	137,289,540
4.	Other Operating Revenue (Specify) See notes page	114,579	118,340
	Gross Operating Revenue	\$ 1,464,701,886	\$ 1,633,794,853
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ 1,194,490,079	\$ 1,345,527,281
2.	Provision for Charity Care	14,840,848	16,717,398
3.	Provisions for Bad Debt	34,557,469	38,927,086
	Total Deductions	\$ 1,243,888,396	\$ 1,401,171,765
	NET OPERATING REVENUE	\$ 220,813,490	\$ 232,623,088
D.	Operating Expenses		
1.	Salaries and Wages	\$ 82,456,796	\$ 87,292,587
2.	Physicians Salaries and Wages	0	0
3.	Supplies	34,853,597	36,717,645
4.	Taxes	1,382,513	1,442,174
5.	Depreciation	6,586,123	6,870,341
6.	Rent	1,651,665	1,722,941
7.	Interest, other than Capital	(5,023,095)	(5,239,861)
8.	Management Fees	13,844,587	14,442,036
	a. Fees to Affiliates	13,844,587	14,442,036
	b. Fees to Non-Affiliates	0	0
9.	Other Expenses (Specify) See notes page	37,469,454	39,086,410
	Dues, Utilities, Insurance, and Prop Taxes.		
	Total Operating Expenses	\$ 173,221,641	\$ 182,334,273
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 47,591,849	\$ 50,288,816
F.	Capital Expenditures		
1.	Retirement of Principal	\$	\$
2.	Interest		
	Total Capital Expenditures	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ 47,591,849	\$ 50,288,816

PROJECTED DATA CHART-- SKYLINE MEDICAL CENTER MEDICAL-SURGICAL DEPARTMENT

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

		CY 2016	CY 2017
	Admissions	7,473	7,734
A.	Utilization Data		
	Total Days Including Observation Days	45,710	47,310
	Patient Days	39,785	41,178
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 430,772,425	\$ 478,840,984
2.	Outpatient Services	87,063,196	96,778,308
3.	Emergency Services		
4.	Other Operating Revenue (Specify) <u>See notes page</u>		
	Gross Operating Revenue	\$ 517,835,621	\$ 575,619,292
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ 432,291,043	\$ 485,351,079
2.	Provision for Charity Care		
3.	Provisions for Bad Debt		
	Total Deductions	\$ 432,291,043	\$ 485,351,079
	NET OPERATING REVENUE	\$ 85,544,578	\$ 90,268,213
D.	Operating Expenses		
1.	Salaries and Wages	\$ 31,379,607	\$ 32,797,103
2.	Physicians Salaries and Wages	0	0
3.	Supplies	16,340,954	17,079,116
4.	Taxes	0	0
5.	Depreciation	0	0
6.	Rent	726,741	759,569
7.	Interest, other than Capital	0	0
8.	Management Fees	0	0
	a. Fees to Affiliates	0	0
	b. Fees to Non-Affiliates	0	0
9.	Other Expenses (Specify) <u>Attachment B</u>	14,850,700	15,521,543
	Dues, Utilities, Insurance, and Prop Taxes.		
	Total Operating Expenses	\$ 63,298,001	\$ 66,157,331
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 22,246,578	\$ 24,110,882
F.	Capital Expenditures		
1.	Retirement of Principal	\$	\$
2.	Interest		
	Total Capital Expenditures	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ 22,246,578	\$ 24,110,882

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Eleven: Charges, Deductions, Net Charges, Net Operating Income Medical-Surgical Department		
	CY2016	CY2017
Admissions	7,473	7,734
Total Days including Observation Days	45,710	47,310
Average Gross Charge Per Day (IP+OP observation)	\$11,329	\$12,167
Average Gross Charge Per Admission (IP+OP observation)	\$69,294	\$74,427
Average Deduction from Operating Revenue Per Day	\$9,457	\$10,259
Average Deduction from Operating Revenue Per Admiss.	\$57,847	\$62,756
Average Net Charge (Net Operating Revenue) Per Day	\$1,871	\$1,908
Average Net Charge (Net Operating Revenue) Per Admiss.	\$11,447	\$11,672
Average Net Operating Income after Expenses, Per Day	\$487	\$510
Average Net Operating Income after Expenses, Per Admiss.	\$2,977	\$3,118

Note:

- 1. Data are from Projected Data Chart, which includes revenues associated with observation days.*
- 2. On the medical-surgical Projected Data Chart, observation revenues are stated as "outpatient" revenues; so gross charges used in this chart's calculations are the sum of lines B1 and B2 in the Projected Data Chart.*

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b. What impact, if any, does this project have on the main campus hospital's 18% inpatient gross operating revenue increase from 2014 to Year 1 of the project?

If this project is not implemented, it would decrease medical-surgical capacity and cause delays in admissions. Management estimates that that would lower the 18% you reference to between 16% and 17%.

c. Item 6.A – the response with table illustrating charges by clinical classifications is noted. Please include a brief overview of reimbursement for services provided to observation patients, noting similarities to allowable charges by Medicare, as applicable.

Comparison of Net Revenues Per Case Medical-Surgical Inpatients vs. Medical-Surgical Observation Patients January-September 2014		
	Medicare Patients Average Net Rev/Day	Non-Medicare Patients Average Net Rev/Day
M/S Inpatients	\$8,219	\$11,496
M/S Observation Patients	\$2,841	\$4,882

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10. Section C, Economic Feasibility, Item 9

The projected Medicare Medicaid payor mix for all service lines of the main hospital campus shown in Table 14 is noted. Please also provide a table for the payor mix limited to just the Med-Surg service by completing the table below (*note: please add a column to the table that shows the "Average Gross Charge per day" similar to what was provided for the entire service in the 3rd row of the table on page 47 of the application*).

Historical and Projected Service Payor Mix--Med-Surg Only

Payor Source	Med/Surg Gross Revenue 2014	Year1 Projected Gross Revenue	Year 1 Average Gross Charge Per Day	Year 1 Gross Revenue as a % of Total
Medicare	\$247,912,517	\$307,967,101	\$11,616	59%
TennCare	\$40,659,244	\$50,508,581	\$13,122	10%
Managed care	\$71,292,274	\$88,562,188	\$17,952	17%
Commercial	\$7,412,011	\$9,207,504	\$13,884	2%
Self-Pay	\$35,161,716	\$43,679,326	\$17,208	8%
Other	\$14,418,232	\$17,910,920	\$13,911	3%
Total	\$416,855,994	\$517,835,621	\$13,016	100%

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11. Section C, Orderly Development, Item 3

It appears that the applicant plans to increase staffing of the main campus med-surg service from 155 total FTEs to 164 FTEs as a result of the project. Using the FTE and the high annual salary ranges shown in the table on page 56, it appears that the salaries and wages cost before benefits increases from a current cost of approximately \$10.8 million for the current year and Year 1 amounts to approximately \$10.8 million to \$11.4 million in Year 1. Estimating benefits at 35% of base, the amount in Year 1 could reach approximately \$15,403,500. Please clarify how the \$33,055,697 Year 1 projected salary expense shown in line D.1 of the Projected Data Chart on page 45 of the application was determined and why it is significantly higher than the \$15.4 million cost determined from the table on page 56 of the application.

Revised page 45R, the Medical-Surgical Department Projected Data Chart, shows approximately \$31.4 million of "Salaries and Wages" expense in Year One. This is composed of three components, as follows.

- a. Direct Patient Care (\$10.5 million)--This is for services that take place on the medical-surgical units themselves, provided by the staff listed on the Staffing Chart. Please note that this sum is within the minimum and maximum expenses you calculated from the Staffing Chart.
- b. Ancillary-Related Direct Patient Care (\$10.4 million)--Expenses allocated from salaries of personnel in the ancillary departments who perform services for medical-surgical patients on request.
- c. Overhead Allocations and Employee Benefits (\$10.5 million)--Salaries from non-clinical support departments (administration, security, plant operations, etc.) are allocated to the medical-surgical patients (and all other patients). Employee benefits at HCA are accounted for as a separate Department; but portions of this also are allocated to each patient care department.

So the Projected Data Chart and the Staffing Chart are not inconsistent. The P&L includes not only salaries of employees on the medical-surgical units. It also includes allocations from ancillary and non-clinical departments that support the care of medical-surgical patients, and allocations of hospital-wide benefits and overhead costs. The staffing chart, however, reflects only the direct patient care provided in the units by the FTE's indicated, with their salaries alone.

Table Sixteen: Skyline Medical Center--Main Campus Current and Projected Staffing Medical-Surgical Departments (Revised on Supplemental Cycle)				
Position Type (RN, etc.)	Current FTE's	Year One FTE's	Year Two FTE's	Annual Salary Range (\$)
Medical-Surgical Department				
Director	4	4	4	\$110,000 - \$130,000
RNs	164	174	174	\$45,760 - \$69,492.80
Techs	12	13	13	\$21,132 - \$29,556
Unit Secretary	12	13	13	\$22,401 - \$30,680
<i>Subtotals</i>	192	204	204	
Total FTE's	192	204	204	

Source: Hospital Management

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12. Section C, Orderly Development, Item C.III.9

HSDA staff is aware of a notice dated January 20, 2015 on the website of the Office of the Inspector General (OIG), US Department of Health and Human Services pertaining to a recent settlement between Tristar Summit Medical Center in Hermitage, TN and OIG related to allegations that the hospital violated provisions of the Emergency Medical Treatment and Active Labor Act of 1986. The notice can be found on the enforcement action link under civil monetary penalties and exclusions on the website (<https://oig.hhs.gov>). Given Summit Medical Center's relationship to the applicant through common ownership by HCA Holdings, Inc., what was the impact, if any, to the applicant from the settlement with OIG, including measures taken to increase awareness and educate all parties responsible for compliance with the federal law?

The settlement had no direct impact on TriStar Skyline Medical Center or any other HCA-affiliated hospital. The following corrective measures were voluntarily undertaken by TriStar Summit in connection with the settlement:

A. TriStar Summit has provided electronic instruction to the Emergency Department (ED) Director, staff, and physicians making it clear that: a) patients are only transferred if Summit is not able to provide the care or at the patient's request; b) payment or insurance source is not a valid reason for transfer; c) a request for transfer by the patient must be indicated on the Memorandum of Transfer (MOT) and signed by the patient or the responsible party; d) the MOT must be appropriately completed; and 3) the Charge Nurse is responsible for reviewing and reconciling the MOT prior to the patient's departure.

B. The Case Management Director conducted Case Management staff education regarding EMTALA reasons for transfer of the ED patient. Also, an EMTALA TriStar education webcast was provided by TriStar legal counsel. The content of the presentation included EMTALA law and principles and case studies. The webcast was 60 minutes duration and the target audience included ED Directors, Case Management, Quality, Risk, OB Directors, CEO's, COO's, CFO's and CNO's. TriStar Skyline personnel participated in this educational session.

C. Copies of the "EMTALA TriStar" presentation and a cover letter of explanation were sent to ED Medical Staff and Physician Assistants, nursing staff, Case Management staff, Nursing Supervisors, ED Registration staff and OB staff.

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Also a letter of collegial instruction was sent by the ED Director to the physician involved in the patient transfer through certified mail.

D. The EMTALA Policy and Procedures, the Chain of Command Policy, and the Memorandum of Transfer Tool were all reviewed and found to be compliant with federal law and regulations.

E. Compliance monitoring for the education process described above was implemented and effected for the hospital administrative team, ED physicians and physician assistants, nursing supervisors, ED staff, Case Management staff, OB staff, and ED Registration staff. 110 transferred patients were monitored from 8/1/11 through 12/28/11 and no patients were found to have been transferred due to insurance or financial considerations.

13. Applicant and Applicant's Parent Company CON Project Updates

According to HSDA records, the following approved Certificate of Need projects appear to be in progress. Please provide a 2-3 sentence progress updates towards completion by the CON project expiration date. Please also indicate the date of the most recent Annual Progress Report. It should be noted that Natchez Surgery Center, CN1002-011AME, Horizon Medical Center, CN1202-008A, and Parkridge Valley Hospital, CN1202-006AM have CON expiration dates on July 1, 2015 in which case these projects should be nearing completion and Final Project Reports are imminent. Please contact Alecia Craighead, Stat III if you require any assistance with this request.

Parkridge Medical Center, CN1408-035A, expires January 1, 2018--

This was for an addition of an MRI. That project is under construction with an estimated completion date of August 1, 2015. The final project cost report will be submitted by October 31, 2015.

Centennial Medical Center, CN1407-032A; expires December 1, 2017--

This was for the addition of 29 beds to be used for a Joint Replacement Center. An opponent has appealed the HSDA approval. A hearing will occur this Summer. There is no predictable date for implementation of this project. No progress report is due.

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Skyline Medical Center, CN1406-020A, expires November 1, 2017--

This was for the transfer of 11 ICU beds from the satellite campus to the main campus, and the movement of medical-surgical beds within the main campus. The medical-surgical beds and 5 of the ICU beds were operational October 1, 2014. The remaining 6 ICU beds are under construction and expected to open before the end of 2015. A final project cost report will be submitted by February 28, 2016.

Summit Medical Center, CN1402-004A, expires July 1, 2017--

This was to add 8 medical surgical beds, with a license increase to 196 beds. It was completed 12-15-14. A final cost report was submitted to the Agency in February 2015. A duplicate of the report can be provided on request.

Hendersonville Medical Center, CN1302-002A, expires August 1, 2016--

This was for movement of beds from the satellite campus to the main campus, and the establishment of an NICU. The project is under construction with a completion date for the NICU of January 2016. The bed relocation component is scheduled for completion in late 2016; a short extension of the expiration date will be requested for that component in the near future. The last annual progress report was sent to HSDA on February 3, 2015.

Parkridge Valley Hospital, CN1202-006AM, expires July 1, 2015--

This complex project involving several Parkridge facilities completed its last component and opened beds for patient care in September 2014. The hospital is preparing to submit its final cost report on or before May 30, 2015.

Horizon Medical Center ED, CN1202-008A, expires July 1, 2015--

This satellite ED is under construction with a completion date target of June 2015. A final cost report will be filed by September 1, 2015.

Natchez Surgery Center, CN1002-001AE; expires July 1, 2015--

This Horizon Medical Center project is to be constructed above the satellite ED being completed in June 2015. The surgery center CON will soon request an extension of its expiration date and will provide an annual progress report at that time.

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Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please email or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn
Consultant

AFFIDAVIT

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

SKYLINE MEDICAL CENTER

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.



John Wellborn
Signature/Title
CONSULTANT

Sworn to and subscribed before me, a Notary Public, this the 24th day of April, 2015,
witness my hand at office in the County of DAVIDSON, State of Tennessee.

[Signature]
NOTARY PUBLIC

My commission expires July 2, 2018.